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# DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES APPROPRIATIONS FOR 1991

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## HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

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SUBCOMMITTEE ON THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES

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## PART 8B

(Pages 1789–3647)

## TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

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# DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS FOR 1991

## TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

THURSDAY, APRIL 26, 1990.

## EDUCATION

### WITNESSES

**HON. CARL C. PERKINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY**

**HON. GREGORY D. STUMBO, STATE REPRESENTATIVE, COMMONWEALTH OF KENTUCKY**

Mr. NATCHER. Our first witness is Mr. Gregory D. Stumbo, State Representative from the Commonwealth of Kentucky. He is with my friend, Chris Perkins. Gentlemen, come up here and have a seat at the table with us.

We are delighted to have you before the committee, Mr. Stumbo. You couldn't have appeared with a better Member. Chris Perkins' father was my friend, Carl Perkins, 35 years in the House, one of the ablest men that ever served in Congress.

We are delighted to have you. We will listen to you. Go right ahead.

Mr. STUMBO. I appear before you today with a report that would not have been possible a few short weeks ago. I am here to tell you with a great deal of pride that after being at the bottom for so long, Kentucky is now first in the Nation in something besides basketball.

The Kentucky General Assembly has just passed what we believe to be the most significant piece of education legislation ever passed in Kentucky or any other State in the Nation. Since early 1980, we have made fragmented, although sincere, attempts to improve education in Kentucky, just as other States have done.

In 1985, we held a special session devoted to education; and while we did make some improvements, we did not address the two major components of real education reform: A comprehensive revamping of the total system and sufficient funds to implement and then to continue the changes.

I believe we have used those two things as reasons for doing little to change the image and the reality of the condition of education in Kentucky. It took the Kentucky Supreme Court to provide the push that was needed to start the reform movement.

The Court stated that not only was our method of funding schools unconstitutional, but also that every statute was unconstitutional and ordered the Legislature to develop a totally new delivery system to assure an equal and adequate education for all children in the Commonwealth.

The magnitude of the Court's opinion created a brief period of disbelief and confusion, and then a very remarkable thing happened. As we realized that we must act soon or Kentucky would have no legal system of education, a feeling that we could provide a better system started to grow We also realized that this time it could not be a Band-Aid approach.

With that realization came many long hours of work. In addition to legislators, we involved the Governor and his staff. We involved citizens from all across the Commonwealth. And almost unnoticed, a feeling of pride developed in a State where education has never been highly valued by a large segment of the people.

It appeared to be a feeling that this time we can really do something to provide a better life for future generations where little or no hope has existed before. I believe it was this feeling of pride that allowed us to pass the largest tax increase in the history of Kentucky in order to finance the most far-reaching education legislation in the Nation.

I would like to briefly mention some of the major areas which are significantly different from the current program or, in some cases, will be receiving greater emphasis than in the past.

Outcome-based curriculum: The core of the entire system is an outcome-based curriculum which focuses attention on the end results of education rather than how we teach. Outcomes will be measured by the improvement of students in an individual school when compared to its prior year's performance.

School-based decision making: In order to have a truly outcome-based system, responsibility for the results must be at the school level, and personnel at that level must have the authority to make certain decisions. The Kentucky plan calls for at least one school in each of the 177 districts to implement school-based decision making by January 1, 1991.

Under this provision, each school establishes a school council with the authority to develop policy, and allows participation of all school employees in certain decisions. The school council employs the principal from a list of applicants recommended by the Superintendent.

The council also makes recommendations to the principal on hiring personnel. With this type of structure, decisions such as curriculum contract, organizations of classes, and other areas which directly affect a school are made by the school personnel. Their decisions can be directed toward finding ways to better meet the unique learning needs of the students.

Schools which improve over their previous record receive rewards, and those which do not improve or fall behind their previous record have certain sanctions imposed, with the most severe being allowing students to transfer to a more successful school, dismissing staff, and, in extreme cases, removal of the Superintendent and School Board.

Beginning next school year, 1990–1991, each district must provide a half-day program for four-year-olds who are at risk of failure, and for other four-year-olds to the extent funding is available. Beginning in the 1991–1992 school year, handicapped three and four-year-olds will be eligible for pre-school programs.

Another major deviation from the current program is a five-year implementation effort to establish a network of Family Resource Centers and Youth Service Centers to meet the needs of families by better coordinating existing services and adding other services so that students come to school ready to learn. This includes such services as child care, health services referrals, and all types of counseling.

We have provided for the establishment of a Council for Education Technology which will be responsible for developing and monitoring the implementation of a long-range plan to integrate technology into classrooms at all levels in the public schools.

Perhaps the greatest departure from tradition concerns the Department of Education. Our State Constitution required an elected Superintendent of Public Instruction, with the General Assembly establishing the duties. We have retained the office, but removed the duties and set the salary at $3,000.

We also established the position of Commissioner of Education and terminated all employees of the Department of Education effective June 30, 1991. This will give the new Commissioner an opportunity to reorganize the Department and employ the most qualified people possible to meet the requirements for implementing the new system.

The Legislature has received a mandate from the Court to monitor the new system to ensure that the directives of the Court are carried out. For that purpose, we established an Office of Education Accountability staffed by professionals under our direction to monitor the implementation of the Act and to investigate allegations of wrongdoing such as waste, duplication, mismanagement, political influence and illegal activities not resolved or satisfactorily explained at the State or local level.

I believe we enacted what is probably one of the strongest nepotism laws in the Nation. It almost completely prohibits the employment of a relative of a Board member, Superintendent, or principal in the principal's school. There are some exceptions for people who are already employed; however, we felt this was necessary to eliminate the potential for future abuse in the system.

One very significant action which has received little discussion is the establishment of a Workforce Development Cabinet. This Cabinet is to administer all programs related to vocational education, adult education, job training, literacy, vocational rehabilitation, and various other adult training programs, including the PACE program, which provides training for the parent and appropriate activities for the child. We hope to increase the efficiency and effectiveness of these various programs by coordinating all activities under one Cabinet.

There are many other program areas where changes were made. I have only touched on a few. However, in the time left, I would like to briefly discuss the new method of allocating funds to the districts and the revenue measures we enacted to generate the funds necessary to support such an innovative program.

The basis for the original lawsuit was the inequity in funding for schools. Current per-pupil expenditures in Kentucky's school districts range from a low of $1800 to a high of $4400. The end result of the variation in property values is a better opportunity for education for the child living in the wealthier district.

We devised a funding system which will provide a guaranteed base funding level for each district. The base will be increased by factors for at-risk children, exceptional children, and transportation. The district will be required to levy a tax of not less than 30 cents. In addition, each district may levy a tax which will provide revenue up to 15 percent of the adjusted guaranteed base. This tax is not subject to recall and will be equalized by the State.

A district may also levy additional taxes yielding up to 30 percent of the adjusted guaranteed base plus the revenue generated by the 15-percent tax. This tax must be voted on by the people and will not be equalized by the State.

In order to implement this program, we have appropriated new money of slightly over $600,000,000 for the next two years for elementary and secondary education alone.

In order to fund the new education program and continue to support other areas of government, we found ourselves in the position of having to pass the largest tax increase in the history of Kentucky.

We increased the corporate income tax rate, added a penny to the existing five-cent sales tax, changed the State income tax to conform to the Federal tax law, and eliminated the Federal tax as a deduction on the State income tax return.

As I said in the beginning, we are proud of the program we are going to implement in Kentucky, and we feel that the entire Nation can benefit from what we have done and what we plan to do with education.

You may have seen the article in the New York Times on March 30th or heard President Bush's remarks in which he referred to Kentucky's plan by stating, "That kind of creative thinking is government's best role in education: Setting goals, providing incentives and then demanding accountability."

That is exactly what we plan to do, but we need your help. We have laid out a very ambitious plan which we think, if given sufficient support and time, can revolutionize education as we know it today. We plan to provide a first-class education throughout the lifetime of the child, regardless of where the child happens to live or the economic status of the family.

We are making great advances with our literacy program, programs for adults, vocational education, and special education, including the gifted. With your help, we can make a difference. We can have a program to provide an education for the child of the coal miner, the farmer, the factory worker, which is as good as the education provided to the child from a wealthy family.

Mr. Chairman, in Kentucky we have confronted the stigma of providing an inferior education for our children. However, this is not a problem of Kentucky alone. It is a national problem. We have entered a new decade, a time when we can talk of world peace, a time when you, as leaders of our Nation, are talking about arms reduction. It is time that we, as a Nation, confront our common problems of illiteracy, graduates with no usable job skills and, in many cases, an inability to function in our society.

In Kentucky we have taken the first step to eliminate these problems, but we have a long way to go. I hope you will keep this in mind as you consider how the Nation's limited resources can best serve all the people.

Mr. **Natcher**. Mr. Stumbo, you have made an excellent statement, and I want to commend you on the part that you play in Kentucky as far as education is concerned. You have been good for Kentucky. Some of the people here in the committee room probably don't know, but the Supreme Court of the State of Kentucky ruled the education system of Kentucky unconstitutional based mainly on the fact that there was an inequity as far as the distribution of funds is concerned.

Some 35 or 40 low income counties were almost completely ignored. The court just said you are not dividing your money right, so they declared the whole system unconstitutional, which is a right serious matter.

You have worked diligently to bring out of the legislation a good bill and one that I think will help education.

We have in this audience some outstanding people this morning. They know more about education than I do. But, Mr. Stumbo, when you think about the last nine years, $199,000,000,000 has been spent for education at the Federal level. During the same nine years for defense, $2,360,000,000,000. I don't know of anyone in the State of Kentucky who wants to impair the security of our country.

I voted for all those bills. I voted for them, Mr. Stumbo. But now is the time that we ought to appropriate our money and we ought to spend more money for the health and education of our people, the calendar year of 1990. Throwing money at education, you know better than I do, won't do it. But better use of the money and more money for education will help.

Mr. Stumbo, you have made an excellent statement. You have traveled quite a distance to come now, and we appreciate your attendance. You are with our friend, Chris Perkins, you came with the right man.

[The statement follows:]

# Report to the Subcommittee on Labor, Health and Human Services, Education and Related Agencies.

Presented by

Representative Greg Stumbo
Majority Floor Leader
Kentucky General Assembly

April 26, 1990

**Mr. Chairman, Members of the Committee,**

I appear before you today with a report that would not have been possible a few short weeks ago. I am here to tell you with a great deal of pride that after being at the bottom for so long, Kentucky is now first in the nation in something besides basketball.

The Kentucky General Assembly has just passed what we believe to be the most significant piece of education legislation ever passed in Kentucky or any other state in the nation. Since early 1980, we have made fragmented, although sincere, attempts to improve education in Kentucky, just as other states have done. In 1985, we held a special session devoted to education; and while we did make some improvements, we did not address the two major components of real education reform - a comprehensive revamping of the total system and sufficient funds to implement and then to continue the changes.

I believe we have used those two things as reasons for doing little to change the image and the reality of the condition of education in Kentucky. It took the Kentucky Supreme Court to provide the push that was needed to start the reform movement. The court stated that not only was our method of funding schools unconstitutional, but also that every statute was unconstitutional and ordered the Legislature to develop a totally new delivery system to assure an equal and adequate education for all children in the Commonwealth. The magnitude of the Court's opinion created a brief period of disbelief and confusion, and then a very remarkable thing happened. As we realized that we must act soon or Kentucky would have no legal system of education, a feeling that we could provide a better system started to grow. We also realized that this time it could not be a band-aid approach.

With that realization came many long hours of work. In addition to legislators, we involved the Governor and his staff. We involved citizens from all across the Commonwealth. And almost unnoticed, a feeling of pride developed in a state where education has never been highly valued by a large segment of the people. It appeared to be a feeling that this time we can really do something to provide a better life for future generations where little or no hope has existed before. I believe it was this feeling of pride that allowed us to pass the largest tax increase in the history of Kentucky in order to finance the most far-reaching education legislation in the nation.

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## Outcome Based Curriculum

The core of the entire system is an outcome based curriculum which focuses attention on the end results of education rather than on how we teach. Outcomes will be measured by the improvement of students in an individual school when compared to its prior year's performance.

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## Rewards and Sanctions

Schools which improve over their previous record receive rewards, and those which do not improve or fall behind their previous record have certain sanctions imposed, with the most severe being allowing students to transfer to a more successful school, dismissing staff and, in extreme cases, removal of the superintendent and school board.

## Preschool Programs

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THURSDAY, APRIL 26, 1990.

## NATIONAL INSTITUTES OF HEALTH

### WITNESSES

HON. RUDY PERPICH, GOVERNOR OF THE STATE OF MINNESOTA

DR. JESS G. THOENE, M.D., PRESIDENT, NATIONAL ORGANIZATION FOR RARE DISORDERS, INC., NEW FAIRFIELD, CONNECTICUT

Mr. NATCHER. Next we have Governor Perpich. Come around, Governor, Governor of the State of Minnesota. Governor, I believe you have with you Dr. Thoene.

Governor, I have talked with you on a number of occasions down through the years since you have served as Governor of Minnesota. You have been good for the State of Minnesota, Governor. I say that to you frankly. We appreciate you appearing before our committee.

Governor PERPICH. Thank you, Mr. Chairman.

We appreciate your support and the fact that your door is always open when we visit Washington. Thank you very much, very much.

I am pleased to testify today in behalf of the proposed fiscal year 1991 appropriation for the National Institutes of Health. A few months ago, I came to Washington and New York seeking help for my son and others like him who have an orphan disease called chronic fatigue syndrome. This illness causes recurring attacks of intense fatigue. It prevents a person from leading a normal life, holding a job, going to school or some days, simply getting out of bed.

Chronic fatigue syndrome used to be called chronic Epstein-Barr virus infection, and there was a small flurry of research activity a few years ago because scientists suspected the Epstein-Barr virus, which causes mononucleosis, also causes the crippling fatigue.

This proved untrue, and we know what chronic fatigue syndrome is not, but we will never know what it is unless biomedical research is pursued.

I want to take this opportunity to publicly thank Congressman David Obey and John Porter for their efforts to obtain research funds for chronic fatigue syndrome. When I visited the National Organization for Rare Disorders, its Director gave me a copy of the National Commission on Orphan Diseases report, submitted to Congress in February 1989.

I was surprised to see there are approximately 5,000 rare orphan diseases affecting 20,000,000 Americans. These people have stories similar to my son. No one knows what causes these illnesses, and they are often undiagnosed or misdiagnosed for many years.

People with orphan diseases suffer not only physically but emotionally and financially as well. They must often travel a long ways to get treatment. They can suffer extreme financial hardship. They are often unable to work or attend school. If they can work, they are limited in the kind of work they can do.

Despite the fact that 20,000,000 Americans are suffering, little is being done to help. Of the $1,300,000,000 spent on rare disease research, over half was spent in the approximately 200 rare forms of cancer. The rest of the research money was split among the 4,800 other rare diseases, of which chronic fatigue syndrome is one.

I am alarmed and, Mr. Chairman, dismayed that a scientist who wishes to study on orphan diseases stands so little chance of being funded. I am equally as disturbed when I am told by NIH officials, researchers and government personnel that since they don't know what causes chronic fatigue syndrome, it isn't a disease at all. I can assure you it is a very real disease to those who suffer.

I find no comfort in knowing many other orphan diseases have been or still are a very low priority for research. No one knows how to treat them, and no one is trying to find out. I ask you today to raise the priority of orphan disease research at NIH. I ask you to give people with orphan diseases and their families some hope.

NIH vitally needs a central office for rare diseases to coordinate activities with all the Institutes with other arms of government, the medical community, the nonprofit health sector and health-related industries. NIH needs a facilitator and ombudsman at NIH so those who suffer from orphan diseases have a place to turn for diagnosis and treatment.

No one knows what causes chronic fatigue syndrome and no one knows how to treat it. No one will ever know these answers unless NIH is required to aggressively attract and fund research for chronic fatigue syndrome. I hope this committee will help in that effort.

Mr. NATCHER. Thank you very much.

Doctor, we will be pleased to hear from you.

Dr. THOENE. Thank you for giving the National Organization for Rare Disorders time to address your committee. I am Dr. Jess Thoene, Professor of Pediatrics and Biochemistry at the University of Michigan. I am also President of the National Organization for Rare Disorders.

I was privileged to chair the National Commission on Orphan Diseases created by the Congress. We have several conclusions from that.

Governor Perpich delineated the need to establish a Central Office for Orphan and Rare Diseases. In the time I have this morning, I want to address a crisis in NIH funding which has become apparent to the research community just in the past 12 months.

The Commission found for rare disease patients, the real, only true hope of a better life and treatment resides with an individual investigator, that some scientists will make a critical correlation, come up with a hypothesis that can be validated.

The RO-1 mechanism is the only way to support that kind of research. In the past year, 1,000 RO-1 grants were lost to the research community. NORD heard from constituent agencies that scientists left the field of research for good, going into other fields, business, private practice, what have you. This means, in many instances, the only scientist working on a given rare disease has left the field forever, thereby shutting the door for future hope.

I am embarrassed to come to this committee, which has been so generous to NIH, and say we need more, but there are reasons for it. I would ask my remarks be put in the record in their entirety and I will summarize.

We believe the reason—NORD believes the reasons we lost these 1,000 RO-1s is because of four factors. One is an unavoidable inflationary cost in doing research. The second is upset equilibrium and targeted research programs. Programs at NIH have proliferated. The human genome project, money designated for AIDS.

A variety of projects which we are NORD support unfortunately have the side-effect of starving the RO-1 program, lengthening the average wait of an RO-1 from three to five years. We believe that is an imaginary effect, because in a year or so, that will be self-correcting.

The final problem we see impacting on the decrease in the number of RO-1s is the indirect cost issue. NORD realizes it is a question that needs to be addressed. It is impossible to a person working in the field of research to understand how it costs 70 cents to spend every research dollar.

NORD has a suggestion how this might be resolved. The action needed is to restore $200,000,000 of new money to NIH for the next appropriation year. That would restore the thousand RO-1s. We suggest that might be in some way retrievable by ratcheting down the indirect cost rate in exchange for diminution in reporting requirements that the Congress and the various Federal agencies make on universities.

We realize there are true costs involving these mandates. We would like to see a quid pro quo established whereby Congress and various Federal agencies say we can live with less data and you can live with less indirect costs. Every dollar saved would mean more research, which means more hope and life for rare disease patients.

[The statements follow:]

# TESTIMONY OF GOVERNOR RUDY PERPICH
# BEFORE THE SUBCOMMITTEE ON LABOR/HHS/EDUCATION
APRIL 25, 1990

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I AM PLEASED TO TESTIFY TODAY ON BEHALF OF FY 91 APPROPRIATIONS FOR THE NATIONAL INSTITUTES OF HEALTH.

A FEW MONTHS AGO I TRAVELED TO WASHINGTON, D.C. AND NEW YORK CITY SEEKING HELP FOR MY SON AND OTHERS LIKE HIM WHO HAVE AN "ORPHAN DISEASE" CALLED CHRONIC FATIGUE SYNDROME. THIS ILLNESS CAUSES RECURRING ATTACKS OF INTENSE FATIGUE-WHICH PREVENTS A PERSON FROM LEADING A NORMAL LIFE, HOLDING A JOB OR GOING TO SCHOOL, INDEED ON SOME DAYS SIMPLY GETTING OUT OF BED.

CHRONIC FATIGUE SYNDROME USED TO BE CALLED "CHRONIC EPSTEIN BARR VIRUS," OR CEBV. THERE WAS A SMALL FLURRY OF RESEARCH ACTIVITY A FEW YEARS AGO BECAUSE SCIENTISTS SUSPECTED THAT THE VIRUS, WHICH ALSO CAUSES MONONUCLEOSIS, WAS TRIGGERED INTO REACTIVATION AND THUS CAUSED THE CRIPPLING FATIGUE. HOWEVER, THE ONLY THING SCIENTISTS FOUND OUT WAS THAT THE EPSTEIN BARR VIRUS HAS NOTHING TO DO WITH THIS DISEASE. NOW WE KNOW WHAT CHRONIC FATIGUE SYNDROME IS NOT, BUT WE WILL NEVER KNOW WHAT IS IS UNLESS BIOMEDICAL RESEARCH IS PURSUED ON THIS VERY DISABLING ORPHAN DISEASE.

WHEN I VISITED THE NATIONAL ORGANIZATION FOR RARE DISORDERS (NORD), ITS EXECUTIVE DIRECTOR, MRS. ABBY MEYERS, GAVE ME A COPY OF THE NATIONAL COMMISSION ON ORPHAN DISEASES REPORT, WHICH WAS SUBMITTED TO CONGRESS IN FEBRUARY, 1989. I WAS SURPRISED TO SEE THAT THERE ARE APPROXIMATELY 5,000 RARE ORPHAN DISEASES AFFECTING ABOUT 20 MILLION AMERICANS. THESE PATIENTS HAVE STORIES VERY SIMILAR TO MY SON'S. NO ONE KNOWS WHAT CAUSES MOST OF THESE ILLNESSES, AND THEY ARE OFTEN UNDIAGNOSED OR MISDIAGNOSED FOR MANY YEARS. ADDITIONALLY, 45% OF PATIENTS REPORT THEIR DISEASE HAS CAUSED EXTREME FINANCIAL HARDSHIP ON THEMSELVES OR THEIR FAMILIES, AND 56% HAVE TO TRAVEL 50 MILES OR MORE EACH WAY SEEKING MEDICAL TREATMENT FROM A DOCTOR WHO HAS SOME KNOWLEDGE ABOUT THEIR DISORDER. AN ASTOUNDING 42% REPORTED THAT THEIR ILLNESS PREVENTS THEM FROM WORKING OR ATTENDING SCHOOL, AND 32% OF PATIENTS WHO ARE ABLE TO WORK REPORTED THAT THEY ARE LIMITED AS TO THE AMOUNT OR TYPE OF WORK THEY CAN DO BECAUSE OF THEIR RARE DISEASE.

THE MOST SHOCKING FACT IS THAT OUT OF $1.3 BILLION SPENT BY THE FEDERAL GOVERNMENT IN 1987 ON RARE DISEASE RESEARCH, OVER HALF WAS SPENT ON RARE FORMS OF CANCER. THERE ARE APPROXIMATELY 200 RARE CANCERS, BUT THERE ARE 4,800 OTHER RARE DISEASES AND CHRONIC FATIGUE IS ONE OF THEM.

I AM ALARMED AND DISMAYED THAT A SCIENTIST WHO WISHES TO STUDY AN ORPHAN DISEASE STANDS SO LITTLE CHANCE OF BEING FUNDED. I HAVE SPOKEN TO NIH OFFICIALS, RESEARCHERS, GOVERNMENT PERSONNEL AND NUMEROUS OTHERS WHO FEEL THAT SINCE THEY DON'T WHAT CAUSES CHRONIC FATIGUE SYNDROME IT REALLY ISN'T A DISEASE AT ALL. IT IS NO COMFORT TO KNOW THAT MANY OTHER ORPHAN DISEASES HAVE BEEN, OR STILL ARE STUCK IN THIS PURGATORY OF MEDICINE; NO ONE KNOWS HOW TO TREAT THEM AND NO ONE IS TRYING TO FIND OUT.

I AM ASKING THIS COMMITTEE TO RAISE THE PRIORITY OF ORPHAN DISEASE RESEARCH AT NIH. GIVE SOME HOPE TO PATIENTS WITH ORPHAN DISEASES AND THEIR FAMILIES THAT RESEARCH WILL FIND THE ANSWERS. BECAUSE FEW PEOPLE ARE AFFLICTED BY EACH ORPHAN DISEASE DOES NOT MEAN THAT THEIR PAIN IS LIGHTER OR THEIR LIVES DON'T COUNT. MOREOVER, A CENTRAL OFFICE FOR RARE DISEASES IS VITALLY NEEDED AT NIH TO COORDINATE THE ACTIVITIES OF ALL OF THE INSTITUTES WITH OTHER ARMS OF GOVERNMENT, THE MEDICAL COMMUNITY, THE NON-PROFIT HEALTH SECTOR AND HEALTH RELATED INDUSTRIES. GIVE ORPHAN DISEASES A FACILITATOR AND OMBUDSMAN AT NIH SO THAT WE HAVE A PLACE TO TURN IN OUR SEARCH FOR DIAGNOSES AND TREATMENTS FOR THESE DEVASTATING ILLNESSES.

AGAIN, MR. CHAIRMAN, THANK YOU FOR THIS OPPORTUNITY TO APPEAR BEFORE YOU TODAY. YOU HAVE BEEN A LEADER IN WORKING FOR INCREASED SUPPORT FOR MEDICAL RESEARCH AND I LOOK FORWARD TO CONTINUING TO WORK WITH YOU ON THIS IMPORTANT ISSUE.

National Organization for Rare Disorders, Inc.
NORD • P.O. Box 8923 • New Fairfield, CT 06812 • (203) 746-6518

out of the darkness
into the light

President:
Jess Thoene, M.D

Executive Director:
Abbey S. Meyers

Member Organizations:
Acoustic Neuroma Association
American Narcolepsy Association
American Porphyria Foundation
Amyotrophic Lateral Sclerosis
  Association
Ankylosing Spondylitis Association
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  of America, Inc
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International Craniofacial Foundations
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  Foundation
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  of the United States
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  Research Funding Center, Inc
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Narcolepsy Network
National Addison's Disease Foundation
National Alopecia Areata Foundation
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Parkinson's Disease Foundation, Inc
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Reflex Sympathetic Dystrophy
  Syndrome Association
Retinitis Pigmentosa Foundation
  Fighting Blindness
Scleroderma Info Exchange, Inc
Scleroderma Federation, Inc
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Tourette Syndrome Association, Inc
United Leukodystrophy Foundation, Inc
United Parkinson Foundation
Williams Syndrome Association
Wilson's Disease Association

# TESTIMONY OF

# NATIONAL ORGANIZATION FOR RARE DISORDERS (NORD)

JESS G. THOENE, M.D.

PRESIDENT

## REGARDING FY91 NIH APPROPRIATIONS

TO

HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

HON. WILLIAM H. NATCHER, CHAIRMAN

APRIL 26, 1990

**Dedicated to Helping People with Orphan Diseases**

Mr. Chairman and Members of the Committee:

On behalf of the National Organization for Rare Disorders I wish to thank you for providing us an opportunity to address you on the important issue of funding for the National Institutes of Health. I am Dr. Jess G. Thoene, Professor of Pediatrics, and Head of the Section of Biochemical Genetics and Metabolism at the University of Michigan. I am also President of the National Organization for Rare Disorders and I had the privilege of serving as Chairman of the Congressionally created National Commission on Orphan Diseases. After two years of testimony and much deliberation, the National Commission on Orphan Diseases came to several conclusions. Two stand out. One is the overwhelming need for Congress to create a central office for orphan and rare diseases (COORD) at the level of the office of the Assistant Secretary for Health, to coordinate all federal efforts with regard to rare diseases. Much is now known about rare disorders, but is unavailable because it is unfindable within our various federal agencies. Second, and for today's purposes much more important, is the intense need to sustain individual investigator-initiated research. The Commission found the health care needs of the estimated twenty million Americans suffering from one of more than 5,000 rare disorders are not being adequately met. For most persons with a rare disorder, the only significant hope for an improved life is that a scientist in a research laboratory will develop a crucial insight into the nature of the problem, leading to better treatment or to better diagnosis, or at least the hope of same.

At this point I wish to draw your attention to the current crisis in biomedical research funding. The Congress has been consistently very generous to the National Institutes of Health, providing sustaining funds through lean times. Last year's appropriation provided approximately a 7% increase in overall funding for the National

Institutes of Health. At the same time however, over 1,000 investigator-initiated grants (RO1's) were lost to the research community. As you know, NIH funds research through two major mechanisms. One is the conventional investigator-initiated (RO1) research grant. The other is for special projects, sometimes devised in response to Congressional requirements, and targeted for a specific disease, organ system, or other research area. Clearly, both types of funding are crucial to the health of our biomedical enterprise. Now however, the equilibrium is greatly upset such that investigator-initiated research programs, which are clearly the most crucial to aid persons suffering from rare disorders, are being starved by funding in other programs. Center grants for a variety of topics based on both disease-specific and/or organ specific areas have proliferated. Because each rare disorder represents a separate pathophysiologic problem, which may have little connection to other rare disorders, center programs are unlikely to benefit rare disease sufferers directly. We recognize the long-term advantage to persons with rare disorders inherent in the human genome project, but if funding for this and other special projects such as AIDS research results in a diminution of grants for scientists working directly on each rare disorder, then the rare disease community is not being well served. Unfortunately, this is now the case. NORD has heard from its constituent agencies that many scientists, often the only ones working on specific rare disease areas, have left the field, due to inability to acquire research funding. During the funding cycle in 1989, only the top 15% of applications for RO1's were fundable. Prior to this, the NIH norm had been to fund up to the 33 percentile. This stringent funding level pits the best members of our scientific establishment against one another. Everyone cognizant of the way peer review works says that it is impossible to determine relative quality in this top echelon of grants, yet some of these grants are funded, but others not. One consequence of this decline in funding is a direct decline in the amount of clinical research conducted in the United States, compared to abroad, as noted in a recent New England Journal article.*

*Stossel, T., Stossel, S., New England Journal of Medicine 322:739-742, 1990

Rare disorders such as propionic acidemia or Batten's Syndrome, are unlikely to be directly addressed by a special project because of their low incidence. On the other hand, in the past a scientist who had an innovative idea for the better diagnosis or treatment of one of these conditions had a reasonable chance of being funded if his scientific ability was of sufficient quality Currently with a thousand fewer meritorious grants being funded than last year, the chance of this activity progressing is increasingly dismal. When funding stops experienced investigators are dispersed and the opportunity for the momentum to be re-established is very small. Industry, private practice, and other options are drawing off the best and brightest from both the professional and technical personnel pools. Once disbanded, a research group will not be re-constituted.

The decline in RO1's is fostered by an increasing proportion of NIH funding being devoted to special projects but also is due to an inflationary increase in the cost of doing research, a lengthening in the average duration of funded grants, and the large proportion of research dollars being funnelled into indirect costs. NORD realizes that the question of indirect costs is contentious and potentially divisive, however, the subject needs to be discussed. It seems impossible to justify upwards of 70 cents in overhead for each dollar spent for research. Of the $7 billion appropriated to the NIH, only $4 billion is actually spent by research teams doing research. The rest is spent fulfilling a variety of Administration and Congressional mandates, as well as providing overhead for the university investigator.

It is imperative that the number of research grants which are investigator-initiated be restored to its level prior to the current funding crisis. This will require an increase of about 200 million dollars above the FY90 appropriation, and designated for RO1 investigator-initiated grants so that the National Institutes of Health funds at least 5600 RO1's during this year.

As a step toward a compromise on the vexed question of indirect costs, NORD suggests that the Congress begin a dialogue with the research universities of this country to diminish the number of reporting requirements that the Congress and Administrative agencies makes on the universities. By establishing a quid pro quo in which the universities agree to reduce their indirect cost rate in exchange for a diminution in reporting requirements, dollars can be saved. We suggest that the dollars saved in this manner be specifically appropriated to the NIH for RO1 investigator-initiated grants. Every dollar generated in this way means more research which can mean hope and life for persons with rare disorders.

Mr. NATCHER. Thank you, Doctor.

Mr. Conte, I yield to you.

Mr. CONTE. I want to welcome Governor Perpich and Dr. Thoene. Your organizations, I know a lot about them, and you have done so much good to improve research and treatment on rare diseases.

This past week, we have seen, the chairman and I have seen children suffering from rare diseases like Batten's disease. We had the little kids sitting there at the table with the helmets, leather helmets on their heads to prevent further damage. It breaks your heart. It tears you up, I don't care how tough you are, to see these kids come in here all week long with these rare diseases and to see what is happening to them.

The Chairman has been really good. He and I worked together on the committee 32 years, and he has been on here longer. I guess when they built the Washington Monument. We work as a team. We are two good friends. We are both from different parties, but we come together on this bill.

We are going to do our best to be increasing money for research. I agree with you on that.

This whole thing on RO-1s is a scandal. Not only that, but we have not hired a scientist in 10 years down there at NIH. That is frightening. And we have not had a director for almost a year now. That is frightening.

A lot of it is because of the pay. You can't get a good scientist to come here and work for peanuts.

Mr. NATCHER. Gentlemen, again, we want to thank you for your statements. Governor, when Mr. Conte and I were first elected to this committee, at NIH we had $73,000,000. We are up now to $7,567,000,000.

Dr. Thoene, if we had our way, it would be $10,000,000,000. That is where you ought to spend your money. We need all the help that we can get on this subcommittee. I say that to you frankly, Governor. This is our country and it is our money. We need all the help we can get. You just be patient with us. We are coming.

I appreciate you appearing before our committee.

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THURSDAY, APRIL 26, 1990.

## SPECIAL EDUCATION

### WITNESS

### HON. LES AuCOIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. NATCHER. Our next witness is our colleague from the State of Oregon, Mr. AuCoin, also a Member of the Appropriations Committee and a good Member.

Mr. AUCOIN. I want to thank you for allowing me to appear. I want to express my appreciation to you and also to Congresswoman Slaughter, who graciously allowed me to step in in front of her today to testify before you. The reason I asked her to do that, and this has some bearing on your last comment, Mr. Chairman, is that for the last two months over on the Defense Appropriations Committee, Chairman Murtha has had me assigned to the task of scrubbing the SDI budget.

We have a hearing today that started at 10 on SDI. I must get over there in order to have impact on it. I am hoping very much that the budget is scrubbed and that maybe some of those billions you spoke of might be available to you as a consequence of some reductions in SDI.

I certainly think it would be a better investment in this country if that were possible. I know that this committee would spend the money very wisely.

Mr. Chairman, I want you to know—I have a full statement for the record. I just want to go through my notes and make an oral statement, if I may. In fact, my full statement could be submitted in the record. I would appreciate that.

Mr. Chairman and Mr. Conte, I want you to know how much I appreciate your collective efforts as the leaders of this subcommittee, the chairman and ranking Republican member, and your membership, for your year-in and year-out efforts on education.

This has been especially important because the President's budget request for education has been wholly inadequate in the past and, in my judgment, is again this year. This year's budget strikes me as being a status quo budget, Mr. Chairman. It comes at a time when our national survival, in my judgment, depends on breaking out of the status quo.

This is a budget that seems to me to be the product of a paralysis in our ability to make choices which, I think, have to be made to improve the quality of education in this country, to prepare this economy and the human resources of this economy for the economic challenges of the future.

I support a greater investment in education so the most proven programs can fulfill their potential for our children and for this Nation's future. I have consistently urged the budget which takes more from the haves, the weapons builders, and invests it in the have-nots, our teachers, unsung heroes, for sure, our schools and for our children.

I want to salute you and your committee again, Mr. Chairman, for the leadership you have shown, and I look forward to being able to support your leadership in the future on this subject.

Mr. Chairman, as you know, I have been urging a significant increase in funding for education of children with handicaps; not only for grants to States for regular special education services, but also for pre-school grants, early intervention, personnel development, and other discretionary programs.

I have urged our colleagues to support, and asked the Budget Committee to provide, a $1,200,000,000 increase for these programs. Because today we do not yet have a budget resolution, we don't know how much your subcommittee will have to work with. My request to you today is to place an increase for special education among your top priorities.

I would like to say just a few words about why this increase is needed. First special education grants to States to assist them in providing services which are required by law are more than revenue-sharing. The issue is the quality of education provided to these children. More than 4,000,000 children now receive help from special education programs. Most have moderate difficulties to overcome, such as reading disabilities.

Nearly all are capable of productive lives, yet they are most at risk of dropping out. For our own economic survival, we cannot afford to let these children slip into the shadows of our society. We need to bring them into the mainstream and offer them every opportunity to make the most of themselves.

School districts subject to a Federal mandate, and already stretched to the limit of their resources, are less likely to reach for the best for this population of students if they perceive a flagging commitment from the Federal Government. The budget submission for this year for special education, we have for special education funded only 7 percent of these costs, whereas the original commitment was 40 percent Federal commitment.

I think we shortchange all our students and we shortchange ourselves, Mr. Chairman, unless we offer the means to provide quality programs for handicapped which we mandate them to offer. Fifteen years after the passage of the landmark legislation which guarantees education to the handicapped, we should renew our commitment to make this guarantee a full reality. I don't think we will unless we increase our—put our money Federally where our mouth has been.

Second, Mr. Chairman, a series of extraordinary challenges faces the special education community. I think it is important to note that today. The first wave of so-called "drug babies" is about to hit our schools. According to a recent national study, 11 percent of newborns—375,000 babies a year—have been exposed to crack and other illegal drugs in utero.

Many of these children are turning out to possess personality and learning disorders which make them extremely difficult to work with. In addition, children with AIDS are posing new challenges to school districts. And finally, a recent study has shown that medical advances are giving twice as many children born with severe birth defects the chance to survive into adulthood as did 25 years ago.

Mr. Chairman, I believe you understand these challenges to special education and the need to ensure that children at risk are given every opportunity to succeed. I hope the committee working within the restraints it will have to work with can find it possible to plus up this aspect of the budget that you appropriate each year.

I really appreciate the chance to come by and to make this pitch in behalf of special education today, Mr. Chairman.

Mr. NATCHER. Mr. AuCoin, you made an excellent statement and we appreciate your appearance. Certainly every consideration will be given to your request.

[The statement of Mr. AuCoin follows:]

# TESTIMONY OF THE HONORABLE LES AUCOIN

## BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR - HEALTH AND HUMAN SERVICES - EDUCATION

APRIL 26, 1990

Mr. Chairman, thank you for this opportunity to appear before your subcommittee today. I have a brief oral statement and then I will submit a full statement for the record.

First, Mr. Chairman, I want you to know how much I appreciate your efforts for education. I think you will agree that the President's budget request for education is wholly inadequate. It is a status quo budget. It is the budget of an Administration adrift, paralyzed by an inability to make the choices which have to be made to improve the quality of education in this country.

I know you understand this, and that is why you support a greater investment in education, so the most effective and proven programs can fulfull their potential for our children and our nation's future. I too have urged a budget which takes more from the haves -- the weapons builders -- and gives it to the have nots -- our teachers, our schools, and our children. I salute you, Mr. Chairman, for your leadership for education, and I look forward to continuing to support your efforts.

### EDUCATION OF THE HANDICAPPED

As you know, Mr. Chairman, I have been urging a significant increase in funding for education of children with handicaps -- not only grants to states for regular special education services, but also for preschool grants, early intervention, personnel development, and other discretionary programs.

I have urged our colleagues to support -- and asked the Budget Committee to provide -- a $1.2 billion increase for these programs. Because today we do not yet have a budget resolution, we don't know how much your subcommittee will have to work with. My request to you today is to place an increase for special education among your top priorities.

I would like to say just a few words about why this increase is needed. First, special education grants to states to assist them in providing services which are required by law are more than revenue sharing. The issue is the quality of education provided to these children. More than 4 million children now receive help from special education programs. Most have moderate difficulties to overcome, such as reading disabilities. Nearly all are capable of productive lives, yet they are most at risk of failing or dropping out. For our own economic survival, we cannot afford to let these children slip into the shadows of our society. We must offer them every opportunity to make the most of themselves.

School districts subject to a federal mandate -- and already stretched to the limit of their resources -- are less likely to reach for the best for this population of students if they perceive a flagging commitment from the federal government. The early intervention program, for example, which provides assessment and planning for infants and toddlers with handicaps, and which gives communities the chance to score successes with these children at a very early stage, is optional for states. States will buy into the program and commit their own resources only if they see the federal government as a full partner.

We shortchange all of these students, and we shortchange ourselves, unless we offer to our schools the means to provide high quality programs. Fifteen years after passage of the landmark legislation which guarantees education to the handicapped, we should renew our commitment to make this guarantee a full reality.

Second, Mr. Chairman, a series of extraordinary challenges faces the special education community. The first wave of so-called "drug babies" is about to hit our schools. According to a recent national study, 11% of newborns -- 375,000 babies a year -- have been exposed to crack and other illegal drugs in utero. Many of these children are turning out to possess personality and learning disorders which make them extremely difficult to work with. In addition, children with AIDS are posing new challenges to school districts. And finally, a recent study has shown that medical advances are giving twice as many children born with severe birth defects the chance to survive into adulthood as did 25 years ago.

Mr. Chairman, I believe you understand these challenges to special education and the need to ensure that children at risk are given every opportunity to succeed. I urge you to do everything you can to provide an increase for education for the handicapped along the lines I have suggested so we can meet these challenges.

## COMPENSATORY EDUCATION AND HEAD START

Mr. Chairman, two of the most successful and cost-effective education programs -- Chapter 1 and Head Start -- remain seriously underfunded in the Bush education budget. Despite last year's increase, for which this subcommittee is to be commended, Chapter 1 still serves only about half the eligible population. And Head Start reaches only about one-fifth of the children who need it. These programs have a proven record of clearing away the barriers to success which so many children meet at the earliest stages of their education. I strongly share the view that for our own economic competitiveness these programs play a critical role in preparing our children for the 21st Century workplace. I hope you will be able to provide significant increases for them.

Vocational and adult education, math and science education, and dropout prevention are also programs which I urge you to place as a high priority for increased funding.

STUDENT AID

As a former recipient of federal student aid, I know first-hand how important these programs are for the future lives and careers of today's students. It is unfortunate that the maximum Pell Grant award today covers less than one-fourth of the costs of attending school, while 10 years ago it covered one-half the costs. Over the last 10 years, under the Reagan and Bush Administrations, funding for other student aid programs has also fallen -- Supplemental Education Opportunity Grants by 18%, College Work-Study by 23%, and Perkins Loans by 53%. If we want to continue providing opportunity to students, and if we want to ensure our economic well-being, we must do better. I urge the subcommittee to improve substantially on the Administration request by providing increased funding for student aid programs.

LIBRARIES

Access to information and ideas is the lifeblood of democracy, of economic development, and of human enrichment. I know you understand this, Mr. Chairman, and I appreciate this committee's support for libraries over the years. Unfortunately, the Administration's budget slashes library funding by 71%. This is unacceptable. I urge you to restore funding for Library Services and Construction Act programs.

In Oregon numerous public libraries in small and medium-sized cities have been able to upgrade or build new facilities in recent years. Communities must raise most of the funding for these improvements locally. I can tell you what a difference it makes to a community when a modern library with the facilities and up-to-date research and reference tools replaces a cramped, run-down facility. And I think it is significant that small communities initiating revitalization programs often turn to their library as one of the first projects.

I also urge the subcommittee to continue support for the second White House Conference on Library and Information Services. In my view, rapidly changing information technologies and increasing demands for information services by the public require a continual reevaluation of federal assistance programs to ensure that our priorities are in line with the latest developments and effectively enhance the activities of libraries across the board -- in cities, states, schools, and universities. Again, the Administration falls short in failing to request any funding for the White House conference. But the cost for this conference is modest and will certainly pay off in improvements in the nation's library services.

NATIONAL HEALTH SERVICE CORPS

Mr. Chairman, later this morning representatives from the House Rural Health Care Coalition, of which I am a member, will present testimony to the subcommittee regarding the Coalition's short list of funding priorities for FY91. I urge favorable consideration of this agenda. I commend the subcommittee for its strong support of rural health initiatives in the past, without which our rural communities would be facing a health care crisis of even greater proportions. But make no mistake -- the budget cuts of the 1980's have crippled many programs vital to maintaining access to health care for our rural constituents.

In particular, I'd like the subcommittee to consider the Coalition's request regarding the National Health Service Corps. Unfortunately, while the number of medically underserved areas has increased from 1,432 to 1,955 since 1981, the number of physicians in the Corps has declined by 14 percent. More critically, we find that rural areas are suffering disproportionately from the physician shortages. The Rural Health Care Coalition requests 1991 appropriations in the amount of $125 million. $125 million will not only maintain our current field strength, it will also provide funding for 500 new scholarships and 575 new loans for physicians and midlevel practitioners.

NIH RESEARCH

Another issue of great concern to me is the level of research funding for the National Institute of Health. Currently, less than 25% of the peer reviewed approved grants submitted to NIH are funded. Many important ideas which may represent break-throughs are not investigated because of lack of funds. Money spent on biomedical research is money well spent and an investment in the future. I urge the subcommittee to to support a funding level of $8.4 billion for the NIH. This level of funding will assure that one in three approved new and competing grants will receive funds.

A painful example of NIH underfunding is the especially adverse effect it has had on Alzheimer's research. This year, the National Institutes on Health will spend an estimated $130 million for Alzheimer's research, enough to fund only one out of every five promising projects. But medical research offers the only hope for understanding, treating, and eventually eliminating Alzheimer's disease. Funding from the federal government and the Association has opened exciting new avenues of research. A breakthrough to finding a prevention or cure -- once considered decades away -- is now possible, but only with a major increase in the federal investment for research.

THURSDAY, APRIL 26, 1990.

## OLDER AMERICANS

### WITNESS

### HON. LOUISE McINTOSH SLAUGHTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. NATCHER. Our next witness is our friend and colleague from New York, Ms. Louise Slaughter. Mr. Conte, she is one of our new Members and one of our good Members. She has worked hard and she had the right start, Mr. Conte. She was born in Kentucky. We are delighted to have you with us, Ms. Slaughter.

Ms. SLAUGHTER. If I could be allowed for a moment to say how pleased I was to hear Mr. Stumbo. As a native-born Kentuckian, it pleases me that the children from the coal mine country have the same opportunity as children from the Bluegrass State.

To you and Mr. Conte, I thank you for letting me come this morning. I want to speak to you about programs and services upon which millions of our neediest and most vulnerable and most deserving citizens depend.

I am talking about programs made available to the elderly by the Older Americans Act.

In real dollars, Federal funding for the Older Americans Act has remained stagnant, and has even declined for some programs, since 1980. Just as demographics reveal that the elderly are fast becoming the largest segment of the American population, Area Agencies on Aging are struggling with fixed funding to meet an increasing demand for services.

The Administration of Aging revealed in its February 1990 report on national unmet needs that it would take at least 3,500,000 additional congregate meals to fill current waiting lists in two States: Florida and Oklahoma. North Dakota reported that 78,000 of its elderly residents in need do not receive necessary health screening services.

In Texas, nearly 170,000 older Americans are in need of information, referral, and ombudsman services which the State Office for the Aging has been unable to provide in the absence of Federal funding.

This morning, I would like to consider another increasingly significant need which has largely gone unmet: That is, the need for comprehensive consumer advocacy services. The fraud and deception in the medigap health insurance market threatens the financial security of our Nation's elderly population. This has been received on the network news and in Congressional hearings, but is perhaps most poignantly portrayed in the letter I received from an elderly constituent.

Last September, one gentleman from Batavia, New York wrote me, "I am 81 years of age and have paid Social Security taxes since its inception. I have felt it necessary to remain in business for so long as I am able to do so in a constructive measure."

The gentleman went on to complain about the medicare catastrophic supplemental premium, mentioning only in passing that this premium seemed excessive when he was already paying "$2,000-plus per year for an insurance plan to supplement the medicaid plan."

I ask you, why is an 81-year-old man who is eligible for both medicare and medicaid assistance paying more than $2,000 each year for additional health insurance? One answer could be fraud and coercion. A convicted, former insurance agent in Florida recently provided the following testimony in a hearing of the Senate Special Committee on Aging:

"I learned how to intimidate, force, manipulate, frighten and lie to the people. We were taught to lie about who we represented, what we represented, what the policies paid, what the waiting periods were."

Who protects the elderly from this deception which preys on their fears of becoming seriously ill and unable to pay for care? To date, the Federal Government has not filled provided consumer counseling for America's elderly. I think it is time we did.

The 1987 amendments to the Older Americans Act authorized education and counseling programs to protect the elderly from just this kind of economic exploitation. Because of the so-called "appropriations trigger," written into the law by the authorizing committee, these newly-authorized services have not received a single Federal dollar in funding.

Mr. Chairman, I introduced the medigap counseling programs as an amendment to the Older Americans Act in 1987 because I am certain that such programs are necessary and because they fulfill the broad national objective of the Act to provide "protection against abuse, neglect and exploitation."

Today, I am even more certain of their necessity. When Congress repealed the Medicare Catastrophic Coverage Act, we left older Americans confused and responsible for selecting supplemental coverage which might meet unexpected, catastrophic health care needs, but often won't.

The premiums of these supplemental policies continue to rise, as do the costs of health care, and the elderly living on fixed incomes can ill-afford duplicative and worthless insurance policies. Yet many of our senior citizens have shoe boxes full of these policies.

A 1989 telephone survey by the Health Insurance Association of America found that 15 percent of surveyed medicare beneficiaries age 65 or older had two or more medigap policies. A similar study by AARP that same year found that 24 percent of the elderly surveyed had two or more policies in addition to their medicare coverage.

Forty-three percent of those with two or more policies had purchased them through the mail, responding to confusing brochures and celebrity endorsements on television. The cost of these multiple policies, many of which are likely to be duplicative, is great.

Premiums are rising at an alarming rate. The average annual premium for these policies, in 1989, was $718. In 1990, the General Accounting Office reported that the mean annual premium had risen to $840. At this rate, America's senior citizens who purchase these policies will soon be left destitute.

In New York State, the Madison County Office for the Aging administers a medigap counseling program in which eight AARP-trained volunteers serve between 40 and 50 seniors each month, helping them to sort out their medical bills and insurance claims.

With an elderly population of only 10,000 in a relatively rural area, these volunteers have their work cut out for them. Expenses come out of their own pockets, and many of the volunteers are senior citizens themselves. Outreach is costly, so they don't reach as many seniors as need their services.

The program is operating, and with great promise, but it needs Federal support, the support it was promised in 1987 when Congress authorized such programs under the Older Americans Act.

Mr. Chairman, we have not fully kept the promises. I appreciate the financial constraints under which this country operates, but there is no population which depends on our giving them the consumer information to keep them from spending their precious resources, many of them on fixed income, for policies that will do them absolutely no good.

I know both you and Mr. Conte have spent many of your years here making certain that people are well-served by the Federal money that we spend. I urge you to look this time at what passed in 1987 and see if there is some possibility this year of putting in some money behind our words.

I thank you very much for your time.

Mr. NATCHER. Thank you, Ms. Slaughter. You have made an excellent statement. We appreciate your appearance before the committee.

THURSDAY, APRIL 26, 1990

## BREAST CANCER

### WITNESS

### HON. MARY ROSE OAKAR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. NATCHER. Our next witness is Mary Rose Oakar, our friend and colleague from the State of Ohio. I have been on her side many times, Mr. Conte, and I am going to be on her side many times in the future.

I want you to know we appreciate your coming.

Ms. OAKAR. Thank you, Mr. Chairman.

To you and the distinguished minority leader of this committee, you are two heroes of mine. It is always a pleasure when you are on my side. I am really on your side, as you know.

You know, it is interesting to me. I don't know of another committee that is more important. The timing is everything around this place. But when you consider the issues that you are going to determine appropriations for health, education, human services, research, they are anchor issues.

I think it is our renaissance in terms of, you know, we look at all these other countries undergoing quests for democracy, I think Americans have to be reflective. We ought to say, what are we doing now? I think there is going to be a renaissance in the issues that you are concerned about and have provided so much leadership for, even in years when it wasn't quite as popular.

Mr. Chairman and Mr. Conte, I would like to ask unanimous consent to put my entire statement in the record, because I know there is a time constraint.

Mr. NATCHER. Yes, ma'am.

Ms. OAKAR. Thank you, Mr. Chairman.

Let me talk to you a little bit about an issue that is really—has really reached catastrophic and crisis proportions. It is an epidemic in this country. I do not know why, and we are trying, but I do not know why women and their families are not more outraged at what has been done in the past.

If it weren't for you two gentlemen in this committee, frankly, I don't think there would be anything done relative to the area in general terms on the problem of breast cancer.

I just wanted to share with you a few statistics. Every 13 minutes, one woman finds out that she has breast cancer. Twenty years ago, one out of 20 women were diagnosed as having breast cancer. Today it is one out of nine.

We will expect that 42,000 individuals who are female will die of breast cancer this year alone. During the Vietnam War, when we had 53,000 men and women die during that period, 330,000 women died of breast cancer. It really is, in my judgment, mind-boggling to me that there isn't the same kind of attitude toward this terrible disease which inflicts and upsets and uproots the hearts and minds of families.

I was just on the subway today coming over to this committee when a member of this Appropriations Committee, full committee, whom you know very well, told me that his wife has just been diagnosed with breast cancer.

This year, we just had one of our dear colleague's wives die of breast cancer. Every First Lady, with the exception of Barbara Bush, since Betty Ford, who is such a wonderful example to all of us, has had some form of breast tumor.

Yet, we are seeing that in fact the—by way of proportion, very little money is being used and targeted in this area. And I know you have increased it. I mean, I am fully aware that you did increase some millions in the area of breast cancer. But I have to tell you, and I vote—I mean, I am four-square for the increase in AIDS research. I see in the budget that they are going to add an additional $750,000,000 for AIDS research, and they had $1,600,000,000 in 1990, and I am all for it. I will support that.

But I have to tell you how disconcerting it is for me and for women across the country and their families that in terms of basic research for breast cancer, there is only $16,200,000.

Mr. Chairman and the distinguished leader, Mr. Conte, let me just tell you a few of the programs very briefly that were not funded because of a lack of money. There were two trials that are such worthy projects. It is these wonderful, dedicated people had done a study of women who had taken DES 30 years ago.

Now they are finding, a case-by-case study, now they are finding that women who are pregnant who took that particular prescription have daughters and sons who have various forms of cancer.

So, the same researcher wanted to continue this case management, case-by-case study with the children to determine what, if anything, should be done relative to them, and he didn't get that program funded. It was thousands of dollars. Think of the lives that could be saved if we have the proper knowledge.

Hormonal therapy. One of the things that bothers me—and I am all for NIH full funding in the Cancer Institute—full funding. But when it comes to female-dominated diseases, by way of comparison, Mr. Chairman, it is very little. One of the things I am told—and I am a lay person. You fellows know more about this than I do. One of the things I am told when I ask why aren't we doing more research in the whole area of hormonal imbalance and how that relates, for example, to varieties of diseases, including breast cancer, I am told, "Well, you know, it is very hard to determine," and so on and so forth.

The fact is we need that research. Isn't it quite possible that the lack of a hormone could be directly related? Some wonderful biochemists and doctors and immunologists, et cetera, have determined, in fact, that is one of the possible theories for all types of cancer, let alone breast cancer, which afflicts 90 percent of our women.

What about a promising theory that certain genes may be identified that serve as a master switch for early tissue development and later trigger cancer cells to trigger off into an unfortunately direction?

We need that kind of research. It is our renaissance. It will help other diseased individuals and save many, many lives. And I could go on.

There is another study that wanted to get funded and continue related to diet and fitness. Everybody says we know about diet. We do not know about diet. We do not know the relationship, for example, between alcohol and breast cancer and other forms of cancer.

They don't do these kinds of studies mostly because they don't have the opportunity and the resources. Ninety percent of the research in this country is government-funded as a trigger, thanks to your committee. You can trigger off a cure for breast cancer. i am convinced of this.

What I am asking for is based on the Pepper Commission recommendation, of which I was privileged to be a member. It is based on a bill of which I introduced a couple of weeks ago. It has 54 cosponsors.

I am asking this committee specifically to increase the funding for basic research in breast cancer, which is at $16,200,000, increase it by $25,000,000. By way of comparison to other areas of the budget, I heard Mr. AuCoin and others who were talking about billions for Star Wars, my heavens.

And I know you have the same feeling about this. We ought to be doing this kind of research. Please increase this area. What we really want for the women and their families is a cure for breast cancer. We want a cure for it. We want every kid in this country, male and female, to be immunized against this type of cancer.

By the way about 10 percent of those who get health care happen to be male. We think if you study these areas that are targeted areas, you will through serendipity be realizing perhaps cures for other related diseases.

I am really pleading with this committee to increase the basic research for breast cancer, and targeted for breast cancer, because we are really not up to speed and we have so many wonderful people who have the opportunity and have the knowledge to do this kind of research at NIH and other areas.

So, Mr. Chairman, and my distinguished minority leader of this committee, that is my message today. A real personal plea based on behalf, really, I think, of every American family since it affects so many people in this country.

Thank you, Mr. Chairman.

[The statement of Ms. Oakar follows:]

Statement of Representative Mary Rose Oakar
before the
House Appropriations Subcommittee on Labor, Health
and Human Services, and Education
April 26, 1990

MR. CHAIRMAN, I AM HERE TODAY TO SEEK THE SUPPORT OF THIS SUBCOMMITTEE TO PROVIDE ADDITIONAL FUNDING THIS YEAR TO BOLSTER THE NATIONAL CANCER INSTITUTE'S EFFORTS TO FIGHT THE KILLER, BREAST CANCER. I SINCERELY APPRECIATE THE OPPORTUNITY TO TESTIFY BEFORE THIS SUBCOMMITTEE TODAY, WHICH HAS ALWAYS, UNDER YOUR LEADERSHIP, BEEN EXTREMELY SUPPORTIVE OF THE NATIONAL CANCER INSTITUTE. I RECOGNIZE THE FACT THAT LAST YEAR NCI WAS GIVEN A $17 MILLION INCREASE UP TO THEIR CURRENT LEVEL OF $77 MILLION FOR BREAST CANCER RESEARCH. SOME SIGNIFICANT NEW WORK IS NOW UNDER WAY WITH THESE FUNDS, YET MOST PROMISING NEW DEVELOPMENTS IN BASIC RESEARCH THAT WILL NOT BE PURSUED THIS YEAR, BECAUSE OF A LACK OF FUNDING. NEW MONEY IS NEEDED TO PURSUE NEW RESEARCH WITHOUT JEOPARDIZING THE EXCELLENT WORK THAT IS CURRENTLY UNDERWAY AT THE INSTITUTES.

THE INCIDENCE OF BREAST CANCER HAS REACHED EPIDEMIC PROPORTIONS IN OUR NATION. THIS KILLER WILL TAKE THE LIVES OF 43,000 WIVES, DAUGHTERS, SISTERS, MOTHERS, AND GRANDDAUGHTERS THIS YEAR. IT WILL KILL THEM SLOWLY, PAINFULLY; IT WILL ROB THEM OF THEIR SECURITY, THEIR DIGNITY, THEIR PRECIOUS YEARS OF MOTHERHOOD. THIS KILLER WILL PHYSICALLY MUTILATE THEM AND IT WILL TAKE THEIR MONEY AS WELL. IN MANY CASES IT WILL STEAL THEIR LIFE SAVINGS AND IMPOVERISH THEIR LOVED ONES. IN 1990, BREAST CANCER WILL STRIKE 142,000 WOMEN IN THE UNITED STATES AND 43,000 WILL DIE OF

THIS DISEASE. EVERY THIRTEEN MINUTES AN AMERICAN WOMAN IS DIGNOSED WITH BREAST CANCER. IN 1961, ONE IN EVERY TWENTY AMERICAN WOMEN WERE DIGNOSED WITH BREAST CANCER, NOW IT IS ONE IN EVERY NINE.

IT IS NOT ENOUGH TO EMPHASIZE PUBLIC EDUCATION AND EARLY DETECTION OF THE DISEASE, ALTHOUGH THIS HAS SAVED OR PROLONGED MANY LIVES. WHAT IS NEEDED IS A CURE. MOST WOMEN DETECT THEIR OWN SYMPTOMS, STILL NEARLY A FOURTH OF THOSE DIAGNOSED WILL DIE. ACCORDING TO A RECENT STUDY BY THE FEDERAL CENTERS FOR DISEASE CONTROL, THE DEATH RATE FOR VICTIMS HAS INCREASED 24 PER CENT BETWEEN 1979 AND 1986. THIS DISEASE CUTS ACROSS ALL SOCIAL AND ECONOMIC BOUNDARIES.

SOME MINOR PROGRESS HAS BEEN ACHIEVED IN THE SEARCH FOR A CURE BUT MANY NEW LEADS CANNOT CURRENTLY BE EXPLORED. MOST OF THE $77 MILLION BUDGETED IN FY 1989 FOR BREAST CANCER AT THE NATIONAL CANCER INSTITUTE IS DIRECTED TO DETECTION, TREATMENT, PREVENTION, AND EPIDEMIOLOGY. WHILE THIS FUNDING IS ALSO ESSENTIAL, RELATIVELY LITTLE IS LEFT FOR BASIC RESEARCH AND ETIOLOGY. ONLY $17 MILLION WILL BE SPENT THIS YEAR ON BASIC RESEARCH. TO ADEQUATELY FOLLOW UP ON LEADS TO A POSSIBLE CURE, AT LEAST $25 MILLION IN ADDITIONAL FUNDING, EARMARKED TO BASIC RESEARCH, IS NEEDED. THIS AMOUNT WAS RECOMMENDED TO ME BY THE LATE MRS. ROSE KUSHNER, A VERY DEAR FRIEND AND CONFIDANT, FORMER MEMBER OF THE

NATIONAL CANCER ADVISORY BOARD AND WIDELY ACCLAIMED CHAMPION OF THE RIGHTS OF CANCER PATIENTS. I RECEIVED SUPPORT FROM EXPERTS BOTH INSIDE AND OUTSIDE OF THE CANCER INSTITUTE THAT $25 MILLION COULD EASILY BE PUT TO PRODUCTIVE USE WITHOUT DUPLICATION OF CURRENT INITIATIVES. WE CAN DO MORE TO STUDY WHY THERE IS A GENETIC PREDISPOSITION TO BREAST CANCER. RECENTLY DISCOVERED -- THE PRESENCE OF CERTAIN ENZYMES IN BENIGN TUMORS MAY INDICATE THE LIKELIHOOD THAT CANCER WILL FOLLOW. WE MUST FOCUS MORE ON THE MOLECULAR ORIGINS OF MALIGNANCY -- WHY DOES A NORMAL CELL BECOME MALIGNANT? I INTRODUCED HR 3251, WITH 52 CURRENT HOUSE COSPONSORS, WHICH WOULD PROVIDE THE NATIONAL CANCER INSTITUTE WITH THIS NEEDED BOOST. EDUCATION AND EARLY DETECTION ARE NOT ENOUGH. WE MUST FIND A CURE.

I WOULD LIKE TO SEE SIGNIFICANT INCREASES IN ALL AREAS OF BREAST CANCER RESEARCH. THE ALLIANCE FOR AGING RESEARCH WHOSE RECOMMENDATIONS, BY MY URGING, WERE INCORPORATED INTO THE PEPPER COMMISSION PROPOSAL WITH OVERWHELMING ACCEPTANCE, SUGGEST THAT AT LEAST $30 MILLION IN ADDITIONAL FUNDING SHOULD BE ALLOCATED BY CONGRESS THIS YEAR FOR BREAST CANCER RESEARCH. MORE STUDY NEEDS TO BE DONE ON NEW EVIDENCE OF POSSIBLE LINKS BETWEEN ALCOHOL CONSUMPTION AND BREAST CANCER. THE RELATIONSHIP BETWEEN DIET AND BREAST CANCER MUST ALSO BE FURTHER INVESTIGATED. THERE IS CONSIDERABLE EVIDENCE THAT THE DAUGHTERS AND EVEN THE GRAND-DAUGHTERS OF MOTHERS EXPOSED TO THE DRUG DIETHYLSTILBESTROL (DES)

SOME THIRTY YEARS AGO RUN A HIGHER THAN AVERAGE CHANCE OF GETTING BREAST CANCER. OF LATE, IT HAS BECOME ALL TOO COMMONPLACE FOR RESEARCH PROPOSALS AT NCI TO GENERATE EXCELLENT RECOMMENDATIONS AT BOTH PEER REVIEW AND ADVISORY LEVELS AND YET NOT RECEIVE FUNDING. THE MONEY JUST IS NOT THERE.

WITH THE EXPECTED DEATHS OF 43,000 AMERICAN WOMEN THIS YEAR, THE INCIDENCE OF BREAST CANCER HAS MOST CERTAINLY REACHED CRISIS PROPORTIONS SIMILAR TO OTHER DISEASES, SUCH AS AIDS. I APPLAUD THIS SUBCOMMITTEE'S EFFORTS TO FULLY FUND THE AIDS RESEARCH PROGRAM WITH THE $1.6 BILLION SO URGENTLY NEEDED LAST YEAR. I AM EQUALLY PLEASED TO SEE THAT THE BUDGET COMMITTEE HAS EARMARKED AN ADDITIONAL $700 MILLION FOR AIDS RESEARCH THIS YEAR. AS AN ILLUSTRATION, RECENT STRIDES IN AIDS RESEARCH PROVE WHAT WE CAN ACCOMPLISH IN HEALTH CARE WHEN WE PROVIDE ADEQUATE FUNDING. SIMILARLY, AN ADDITIONAL $25 MILLION IN FUNDING FOR BREAST CANCER RESEARCH IS A SMALL PRICE TO PAY FOR A CHANCE TO ADVANCE A CURE. IT IS ALSO TRUE THAT A BREAKTHROUGH IN BREAST CANCER ETIOLOGY COULD MEAN NEW INROADS TO THE UNDERSTANDING OF OTHER CANCERS.

MR. CHAIRMAN, BREAST CANCER IS NOT SOLELY A CONCERN FOR WOMEN. BREAST CANCER UPROOTS AND BANKRUPTS FAMILIES, ORPHANS CHILDREN, AND WIDOWS SPOUSES. ALL OF US KNOW SOMEONE WHOSE LIFE HAS BEEN DISRUPTED BY THIS KILLER. MANY OF OUR COLLEAGUES HAVE LOST LOVED ONES TO BREAST CANCER, AND A FEW HAVE BATTLED IT THEMSELVES. I

LOST MY MOTHER TO BREAST CANCER.

MR. CHAIRMAN, I THANK YOU, THE MEMBERS OF THIS SUBCOMMITTEE, AND YOUR EXCELLENT STAFF FOR ALL OF YOUR FABULOUS EFFORTS TO PRESERVE THE INTEGRITY OF ALL THE NATIONAL INSTITUTES OF HEALTH. THE BOTTOM LINE IS THAT NINETY PERCENT OF ALL MEDICAL RESEARCH CONDUCTED IN THE UNITED STATES RECIEVES SOME FEDERAL SUPPORT. WITHOUT YOUR LEADERSHIP ON THIS SUBCOMMITTEE, MR. CHAIRMAN, I AM NOT CERTAIN THAT WE WOULD BE THE COMPETETIVE FORERUNNERS IN MEDICAL RESEARCH THAT WE ARE TODAY. THANK YOU FOR HEARING ME OUT ON THIS ISSUE OF VITAL CONCERN TO US ALL.

Mr. NATCHER. Ms. Oakar, you have made an excellent statement. I want you to know this. Every consideration will be given to your request. Your comparison of figures is good. It is good now, and we appreciate it.

Ms. OAKAR. Thank you, Mr. Chairman.

Mr. NATCHER. Thank you very much.

Mr. Conte, I yield to you.

Mr. CONTE. I would like to join you. Congresswoman Oakar is one of my pals. I wish you were here to hear Dr. Eva Singletary. She is with the Anderson Hospital in Houston, Texas. If you are down that way, call her. She is a good friend of mine. She gave a terrific presentation, Mr. Chairman, on breast cancer treatment before this committee. I wish you could have heard her. She got her start with NIH with a training grant.

We are going to be, the chairman and I are going to be very aggressive in funding new therapies for breast cancer. I could arrange it and maybe you can have a women's caucus together. I can bring her up here and she can make a presentation. She has a good slide presentation.

Ms. OAKAR. We would like to have her. Our Aging Committee is having a hearing on breast cancer. We are thrilled that Marilyn Quayle and others will be testifying. She would be great to be a witness. It is women like that and men like that who are doing this research who are the unsung heroes.

Mr. CONTE. We will be in touch with you.

Mr. NATCHER. Thank you very much.

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THURSDAY, APRIL 26, 1990.

## EISENHOWER ACT

### WITNESS

### HON. THOMAS C. SAWYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. NATCHER. Next is our friend and colleague from Ohio, Mr. Sawyer. We are glad to have you before the committee, Mr. Sawyer.

[Discussion off the record.]

Mr. NATCHER. On the record.

Mr. Sawyer, we are glad to have you before the committee.

Mr. SAWYER. Mr. Chairman, I am delighted to be here. I am grateful for the opportunity to testify before yourself and Mr. Conte on behalf of the Dwight D. Eisenhower Mathematics and Science Education Act. I and 16 of our colleagues on the Labor Committee wrote to you in January of this year, asking your consideration for increased funding for this program, and for the important role it plays in the entire blend of math and science education in this country.

I am not going to restate that letter today, but I would appreciate it if you would let me insert that in the record along with me entire statement, which I would like to summarize by saying that the strategies represented by the Eisenhower Act and those programs administered by the National Science Foundation are compatible and both are essential in a fully developed national math and science education policy.

In my Congressional District, the Eisenhower program has been a central agent of change in math and science programming. It has helped to leverage positive results and meaningful involvement by not only educators but business and industry leaders in northeast Ohio.

In November of last year, I had the opportunity to announce a $300,000 grant from the IBM Corporation to Kent State University and two school systems operating together within my district to develop strategies for training teachers in the innovative use of computer systems.

Clearly, the importance of that kind of role in our elementary schools is enormously important. The program is the direct result of the Eisenhower program, and will include Eisenhower funds. This kind of collaborative approach brings school districts together.

In fact, they are encouraged to apply for Eisenhower funds as part of consortia. When we in Congress talk about the role that the Federal Government can play in providing genuine leadership, I can't think of a better example in education than that one.

Once people get used to working together, it can bear remarkable fruit. Another project going on in my district, under the aegis of the Goodyear Tire Company, that same compact seeks to place science teachers in industrial and corporate jobs during summer months.

It is a common-sense approach that often has found difficulty in practical application. In this case, I am confident it will provide practicing teachers with state-of-the-art knowledge of practices and techniques that they will be able to incorporate back into the classroom in the form of scientific concepts, meeting the employment base needs of employers within our community.

Furthermore, it provides those businesses with productive employees on a regular and returning basis. And it is a useful way to supplement the salaries of teaching professionals and serve as an incentive for those who would choose that as a career path.

Mr. Chairman, I guess I can think of no stronger evidence to present to you that is more compelling than the real promise that these kinds of activities represent the products directly of the Eisenhower program. You may be aware of continuing efforts of our committee to continue to make changes in the Eisenhower Act that will reflect what is essentially an evolving process in math and science education reform.

The omnibus education bill introduced by our colleague and Chairman of the Education and Labor Committee, Gus Hawkins, incorporates a number of elements in the Eisenhower Act that will be important to assisting and encouraging local education agencies to come together to make better use of the relatively small amounts of money that each receives by pooling those funds in the training of elementary school teachers.

In summary, Mr. Chairman, I appreciate the opportunity to express my real and genuine faith in this program. The President's budget request of $230,000,000 for the Eisenhower Act represents a significant increase, but I hope not an unrealistic one.

Once more, Mr. Chairman and Mr. Conte, I thank you on behalf of the 325,000 teachers and students that are served by this program. I appreciate your consideration for all the help that you can provide.

Thank you.

[The statement of Mr. Sawyer and attachment follow:]

Congress of the United States
House of Representatives
Washington, DC

THOMAS C. SAWYER
14TH DISTRICT, OHIO

EDUCATION AND LABOR
POST OFFICE AND
CIVIL SERVICE
CHAIRMAN, SUBCOMMITTEE
ON CENSUS AND POPULATION

April 26, 1990

## TESTIMONY OF REPRESENTATIVE THOMAS C. SAWYER

Before

## SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

Mr. Chairman and Members of the Subcommittee, I want to thank you for providing me with the opportunity to testify this morning in favor of increased funding for the "Dwight D. Eisenhower Mathematics and Science Education Act".

As you know, on January 23rd of this year, I, and sixteen of our colleagues from the Education and Labor Committee, sent you a letter urging the Subcommittee both to increase funding for this program and to take a second look at the important role it plays in the existing science and math education delivery system.

Rather than restate the content of the letter I would like to request permission to enter the letter into the

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Washington, DC 20515-3514
Telephone (202) 225-5231

Federal Building
2 South Main St., Suite 405
Akron, OH 44308-1810
Telephone (216) 375-5710

hearing record. But allow me to summarize the main argument of that letter: that the strategies represented by the Eisenhower Act and those programs administered by the National Science Foundation (NSF) are compatible and that both are essential parts of a fully developed national math education policy.

I would like to share with the Subcommittee another reason why this program deserves increased support. In my Congressional District, the Eisenhower program has been the central agent of innovation and change in math and science programming in school districts that receive grants under the program.

What may be even more important is the degree to which the Eisenhower program can leverage positive change and meaningful involvement by business and industry leaders who have a stake in helping to increase the academic attainment of students in their communities.

In November of 1989, I had the opportunity to announce a $300,000 grant from the IBM Corporation to Kent State University and two school systems in my district. Together, IBM, Kent State, and these schools will develop strategies for the innovative use of computers in mathematics classrooms. This joint effort, called The Lighthouse Education Enhancement Project is based on the concept that the appropriate place for computers used in instruction is in the elementary school classroom - not an isolated laboratory. Most studies show that the skills and habits developed in student's early years are crucially important to their entire education careers.

The program is the direct result of the Eisenhower program and will include Eisenhower funds. In fact, the Eisenhower program is responsible for bringing these important players in the community together to pursue a common mission -- to improve the content and the quality of math and science curriculum and programming.

This collaborative approach brings people together who are not accustomed to dealing with each other and are unfamiliar with each other needs. Because of legislative changes made in the original enactment school districts are encouraged to apply for Eisenhower funds as part of a consortia. This seemingly minor change has proved to be a major force for change in my Congressional District and I understand that this is the case nationwide. When we in Congress talk about the federal government providing the element of leadership this is exactly the kind of result we hope to see. The funds available to individual school districts is often minimal but it is being used to great advantage to leverage funding and other services from other public and private sources.

Once people get used to working with one another, change becomes easier. Another effort which is about to begin in my district under the aegis of the Uniroyal

Goodrich Tire Company and the Six District Educational Compact (six small school districts that have formed a consortium to use their Eisenhower money jointly) seeks to place practicing science teachers in appropriate corporate/industry jobs during the summer months.

This rather common sense concept will pursue several important goals. First, it will provide practicing teachers with access to state-of-the-art information about industry practices and techniques and will enable those same teachers to incorporate back into the classroom setting, scientific concepts that are more directly related to employment-based needs of business and industry. Second, it will make available, to those businesses choosing to participate, productive employees. Finally, it is a useful way to supplement the salaries of teaching professionals trained in the sciences and to add financial incentives to those who would choose this as a career path.

Mr. Chairman, I can think of no stronger evidence to present you that is more compelling than the real promise these activities represent.

You may also be aware of the ongoing efforts of my Committee to continue making changes in the Eisenhower Act that will reflect what is essentially an evolving process of math and science education reform.

In an omnibus education bill recently introduced by our colleague and Chairman of the Education and Labor Committee, Gus Hawkins, (H.R. 4379) several amendments to the Eisenhower Act have been proposed including a provision that would require Local Education Agencies (LEAs) to form consortia if their Eisenhower grants are $6,000 or less and requires that LEAs spend any new funds on the training of elementary school teachers.

We would require the Secretary of Education to establish a national clearinghouse for science, mathematics, and technology education materials and would authorize $15 million for the Secretary to establish regional consorti~~ums~~a on science, mathematics and technology education. These are concepts that have come from legislation I introduced on the House side and by Senators Hatfield and Glenn in the Senate and have the support of a large segment of the math/science/technology/engineering education community.

Mr. Chairman, I appreciate the opportunity to express my real faith in this program. As you know, the President in his budget requests $230 million for the Eisenhower program. This represents a significant increase but I think it is not an unrealistic one.

Once more thank you Mr. Chairman and Members of the Subcommittee and thank you on behalf of the 325,000 teachers and students served by this program. I hope we can double those numbers in the near future.

Congress of the United States
House of Representatives
Washington, DC

THOMAS C. SAWYER
14TH DISTRICT, OHIO

EDUCATION AND LABOR
POST OFFICE AND
CIVIL SERVICE
CHAIRMAN SUBCOMMITTEE
ON CENSUS AND POPULATION

January 23, 1990

Honorable William H. Natcher
Chairman
Subcommittee on Labor, Health &
  Human Services and Education
2358 Rayburn House Office Building
Washington, D.C.  20515

Dear Mr. Chairman:

We, as Members of the Education and Labor Committee, are writing because we are concerned about the future of the Dwight D. Eisenhower Mathematics and Science Education Act.

As you know, the Eisenhower Act is the Department of Education's principle science and mathematics education program and is a modified continuation of Title II of the Education for Economic Security Act.

We believe that the Eisenhower program has an important and unique function at the local level. However, the program's full potential, in terms of its ability to promote meaningful and sustainable improvements in math and science instruction has been severely hampered by a lack of resources. Further, we believe an increased federal commitment will also increase the ability of local Eisenhower program administrators to leverage local resources, a crucial ingredient to the success of this program. The table below represents the six year funding history of the program.

| | '85 | '86 | '87 | '88 | '89 | '90 |
|---|---|---|---|---|---|---|
| Formula Grant | 90 | 39.2 | 72.8 | 108.9 | 128.4 | 126.8 |
| Discretionary | 10 | 3.8 | 7.2 | 10.7 | 8.8 | 7.8 |
| Total | 100 | 43.0 | 80.0 | 119.5 | 137.2 | 134.6 |

It has been argued (most recently in your Subcommittee Report 101-172) that federal funding devoted to math and science instruction has produced better results and is better targeted through the National Science Foundation's (NSF) programs than has been achieved through the Eisenhower Act at the Department of Education.

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We believe that the strategies represented by the Eisenhower Act and the NSF are compatible and that both are essential parts of a fully developed national science and math education policy.

The programs of these agencies are different in design, administration, and scope, in large measure because they reflect the different mission of their parent agencies. It is important to keep in mind that both these agencies have specialized functions and areas of expertise that are found in one, or the other, but not both.

For example, under the Eisenhower Act federal funding is driven by formula. NSF teacher enhancement grants are decided by a strict peer review process. At NSF, "targeting" decisions are made at this point in the process and, as a result, it is possible to effectively chart and better calculate downstream outcomes.

The Eisenhower program is also targeted -- indeed, it is targeted twice. First, by the formula-driven design which is targeted to populations of greater need and, second, by the unique needs of local communities. When applying for funds under the Eisenhower Act, local education agencies or their equivalents must conduct a needs assessment and file a plan that draws on participation from program administrators, parents, teachers and even corporate leaders and local scientists. The local Eisenhower grant proposal becomes the product of a collaborative decision about the particular needs of that community.

It is more difficult to evaluate overall outcomes under the Eisenhower program than it is under NSF sponsored programs. A major evaluation of the previous Title II programs was funded by the Department of Education in 1989. SRI International is in the process of collecting data which should be available this summer.

One of the weaknesses of the old Title II program -- the small size of the average grant -- has been addressed by the Committe on Education and Labor within the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (P.L. 100-297). A new provision allows and encourages collaboration among school districts which receive small Eisenhower grants. This is proving to be an effective way to leverage coordination and innovation and has enabled individual schools to expand math and science improvements far beyond the scope represented by the federal dollars. Unfortunately, this significant improvement will not be reflected in the upcoming SRI report.

Finally, we think it is important to consider the overall mission of these two agencies with respect to the education of students and teachers. The NSF has traditionally focused its resources at the postsecondary and graduate level. The results have been outstanding. They have produced programs of quality and depth, reviewed and administered by professionals who themselves have been able to improve programs by virtue of their own substantive expertise.

The mission of the Department of Education encompasses the "whole child." The programs it administers are broadly-based and serve a large and diverse population. The Eisenhower math and science programs should be seen as the focused part of a much larger education program. Although the Eisenhower Act, and its Title II precursor, are relatively new, they draw upon the Department's wide experience in administering elementary and secondary programs. So, just as the Department has deferred to the obvious experience and expertise held by the NSF in postsecondary and graduate programming, NSF has traditionally deferred to the Department in the area of elementary and secondary programming.

One approach is, essentially, top-down; the other is bottom-up. We see this not as a source of conflict but as a potential reserve of great strength _if_ the two agencies can better coordinate their activities, data collection, evaluation, planning and dissemination. As Members of the two Committees charged with oversight of these two programs, we share a common goal and a desire to unify and build upon the institutional strengths of both the Department of Education and the National Science Foundation.

Mr. Chairman, we sincerely believe there is no better friend of education than you in Congress. Because of this, we hope you will understand and share our concern for the future of this program and for the 325,000 teachers and their students served by the program. Dozens of reports published in the last 10 years have sounded a clear alarm about the quality of math and science instruction in this nation's schools. American placement in international comparisons bear this out. For the nation the implications are clear: we will not produce an adequate number of scientists or a population prepared to meet the complex challenges of the future unless strategic educational investments are made now.

We would like to request that your Subcommittee convene a hearing so that we can review the Eisenhower Act's current status and determine its course in the near future. We are committed to these programs, and we are committed to making them work together more effectively. We ask your leadership and guidance.

Sincerely,

Tom Sawyer
THOMAS C. SAWYER
Member of Congress

Bill Goodling
WILLIAM F. GOODLING
Member of Congress

Carl C. Perkins
CARL C. PERKINS
Member of Congress

Jim Jontz
JIM JONTZ
Member of Congress

Peter Smith
PETER SMITH
Member of Congress

Peter J. Visclosky
PETER J. VISCLOSKY
Member of Congress

Jolene Unsoeld
JOLENE UNSOELD
Member of Congress

Kweisi Mfume
KWEISI MFUME
Member of Congress

Nick Rahall
NICK JOE RAHALL, II
Member of Congress

Glenn Poshard
GLENN POSHARD
Member of Congress

Nita M. Lowey
NITA LOWEY
Member of Congress

Donald M Payne
DONALD PAYNE
Member of Congress

Charles A. Hayes
CHARLES HAYES
Member of Congress

Matthew G. Martinez
MATTHEW MARTINEZ
Member of Congress

Sincerely,

Bill Ford
WILLIAM D. FORD
Member of Congress

MAJOR R. OWENS
Member of Congress

Steve Gunderson
STEVE GUNDERSON
Member of Congress

Mr. Natcher. Thank you, Mr. Sawyer. You have made an excellent statement.

Mr. Conte. Mr. Sawyer, I want to thank you for taking the time to testify today. As a former high school teacher and chair of Ohio's Legislature Committee, your comments about the Eisenhower Math and Science program are pertinent and insightful. Thank you.

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Thursday, April 26, 1990.

## EDUCATION

### WITNESS

### HON. DANA ROHRABACHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Natcher. Our next witness is Mr. Rohrabacher. He is from California, one of our newest Members. It is a pleasure to have you with us.

Mr. Rohrabacher. I thank you for this opportunity to testify before you today. As you know, there are many Asian-Americans that are new Americans in California. I will be speaking to you today about an issue that is very important to these new citizens.

Over the course of the last few years, there has been an increasing concern in the Asian-American community that some of America's greatest institutions of higher education instituted quota systems to limit the number of Asian-American students.

It appears there are two types of discrimination against Asian-Americans in colleges and university admissions. One is the upper limit quota, where Asian-Americans are not admitted at the same rate as other applicants, even though they as a group tend to score higher on academic tests. The other is a track quota, where applicants of different racial backgrounds are put on different admissions tracks, reserved for certain races.

The U.S. Department of Education Office for Civil Rights has three compliance reviews and one class action complaint investigation under way to determine if admissions policies at Harvard (undergraduate), UCLA (undergraduate and some graduate programs), UC/Berkeley (undergraduate) and UC/Berkeley Law School are in violation of the Civil Rights Act of 1964 because of their admissions policies.

Last year, through the good work of Congressman Weber, a member of this subcommittee, I asked to earmark funds for more of these types of investigations because I believed, and still do, that this is a serious problem.

This subcommittee did include language in the report for the fiscal year 1990 appropriations bill calling upon the Department of Education to give "their highest priority to the completion of the relevant compliance reviews and the diligent enforcement of the civil rights statutes in this area." For that, I thank you.

Mr. Chairman, the Department of Education has failed to live up to your report language. Virtually nothing has happened since this committee issued its language, even though this committee provided an increase of $3,000,000 in the budget for the Office of Civil

Rights at the Department of Education in fiscal year 1990. Despite the increase, the OCR has not completed the compliance reviews it had underway at this time last year.

The compliance review at Harvard University was started in July 1988. As of today, there is still no letter of findings.

The UCLA review was started in January 1988, 28 months ago. Again, no letter of findings has been issued.

The UC/Berkeley class action complaint investigation was filed in June or July of 1989. OCR did not even go on-site until eight months later, and now, 10 months later, there is no letter of findings.

In October 1989, I asked OCR questions about the admissions policies of the University of California at Berkeley Law School. Due to the fact that I received no response for over four months, I again wrote Secretary Cavazos.

Forty-five days later, he responded with weak excuses for the delays. He also said that, notwithstanding the committee report language and the extra $3,000,000 OCR received, no new compliance reviews would be performed "due to fiscal constraints."

I think the lack of earmarked money put the old reviews on hold as well.

On April 4, 1990, I finally received a substantive reply to my letter of six months before about admissions policies at Berkeley Law School. OCR said they would do a full compliance review, but didn't set a date, and I suspect that they will not begin the on-site investigation until after October 1, the beginning of the new fiscal year.

I recite this detail because it is a history of justice denied due to delay at the Office of Civil Rights.

OCR received an extra $3,000,000 and hired additional personnel. I understand OCR's annualized full-time employment is about 835, which is higher than their ceiling. Many new employees were hired to work in Washington instead of the regional offices where investigations are performed. Virtually no progress has been made regarding the college admissions discrimination.

It is my hope, Mr. Chairman, that in the fiscal year 1991 appropriations, this committee will earmark $250,000 for the completion of existing reviews, and for new compliance reviews and class action complaint investigations concerning illegal college admissions discrimination.

I am asking for a small earmark out of a $49,900,000 budget request only because this year, even with an extra $3,000,000 and strong committee report language, virtually nothing about this serious problem has been done.

Thank you for your consideration, Mr. Chairman.

There are Asian-Americans throughout the United States who are very concerned their children may be damaged. I think at the very least, we should determine whether or not illegal discrimination is taking place. That is what I am asking for, thank you, Mr. Chairman.

Mr. NATCHER. Thank you, Mr. Rohrabacher. You have made an excellent statement. We appreciate your appearance.

THURSDAY, APRIL 26, 1990.

# NATIONAL BONE MARROW REGISTRY/IMPACT AID

## WITNESS

### HON. VIC FAZIO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. NATCHER. At this time, I yield to Mr. Fazio.

Mr. FAZIO. Thank you, Mr. Natcher, particularly for letting me go out of line a little bit here. I want to apologize to my colleagues who have been sitting here. I simply would place my comments in the record.

I have to get back to the Ethics Committee, but I did want to, first of all, indicate my continuing support for Impact Aid. I feel very comfortable that this committee will do the utmost—it always has—for the impacted districts around the country. My comments will be further elaborated later.

I also wanted to appear, though, on behalf of the National Bone Marrow Registry. I feel very strongly about the need to provide a significant infusion of funds to that program. I have had some personal experience in my family that has made it very clear to me as to the importance of this program.

I know that Mr. Young on this committee has made a real significant effort, ongoing effort. In fact, a number of our colleagues are being typed today for that program just as we speak. I know Connie Morella will be here in a few moments to speak on the same issue because of the heightened concerns in the D.C. area.

If we can get something in the neighborhood of $15,000,000, we could increase the number of names in the registry to a point where we could give far more Americans a good opportunity to have a successful unrelated match.

I know the committee is going to take this request under consideration. The authorizing committees are also reviewing it. I hope somehow in the process we can make a major step forward during this fiscal year coming.

Thank you, Mr. Chairman, for letting me make my remarks.

Mr. NATCHER. Thank you, Mr. Fazio. Glad to have you.

[The statement of Mr. Fazio follows:]

# TESTIMONY OF THE HONORABLE VIC FAZIO BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HEALTH AND HUMAN SERVICES-EDUCATION

APRIL 26, 1990

Mr. Chairman, members of the subcommittee, I want to thank you for the opportunity to testify before you today. As a fellow member of the Appropriations Committee, I know how difficult a task you face in funding the programs within your jurisdiction.

I am here today to highlight two programs of particular interest and concern to me. First, I want to draw attention to the National Marrow Donor Program and the needs of that program.

As many of you know, I became personally involved with the program in 1987, my youngest daughter Anne, then 13 years old, was diagnosed with leukemia and became a candidate for a life-saving bone marrow transplant.

Although we initiated a search through the National Marrow Donor Program's registry, as well as other registries, a suitable match from an unrelated donor was not found. Rather than wait for a donor, which may never have materialized, we proceeded with a transplant between Anne and her mother. Although the match was less than perfect, we decided to go ahead with the procedure before Anne became too sick either from prolonged chemotherapy or the disease itself to be able to withstand a transplant. Fortunately, more than two years since her transplant, Anne enjoys good health and lives the active normal life of a teenager.

I have maintained my interest in the program over the last few years and recently became more involved after learning of the plight of Amanda Chiang, an infant from my congressional district in need of a bone marrow transplant, and others in need in Sacramento, California, as well as two local Washington area students, Allison Atlas and JoAnne Johnson. The valiant efforts of the families of individuals suffering from leukemia and other diseases necessitating bone marrow transplants in conducting their own expensive and exhaustive searches led me to look at the effectiveness of the nation's registry program in meeting the needs of those using the program.

While I strongly support the National Marrow Donor Program (NMDP) and commend it on its success in facilitating transplants, I, nonetheless, have three main concerns about the registry. First, there are too few donors in the registry. Although the goal is 250,000 registered donors, only 100,000 individuals are currently listed. Second, there is not enough diversity in the registry. Allison Atlas and JoAnne Johnson's cases demonstrate the inadequate representation of certain ethnic and racial groups within the registry. Third, I am concerned that adequate funds do not exist to test individuals willing to serve as bone marrow donors.

This situation has led me to draft legislation, which I am introducing today, to provide a one-time $15 million authorization for the purposes of testing potential donors with an emphasis on populations inadequately represented in the registry. This funding level will enable the registry to reach its goal of 250,000 diverse registered donors. By building up the number of donors, fewer families will have to assume the burden which the Atlas, Johnson and other families have assumed.

In addition to my concerns about funding, I am concerned about equal access to information about available options and the cost for those in search of unrelated donors. As a result, I asked the Office of Technology Assessment, OTA, to evaluate and report back on the NMDP and other major registries to determine the success of the current system. I would like to submit a copy of the report for the record, entitled "Unrelated Bone Marrow Transplants in the United States: Policy Issues from a Patient Perspective." The report generally concludes that the goal of a centralized coordinated system to facilitate bone marrow transplants has not yet been fully realized.

After experiencing the process myself, I strongly believe that there needs to be a system whereby individuals and families can receive thorough responses to their questions about available options through so-called "one-stop shopping". Families of leukemia and other patients face a great burden in dealing with the diseases. Exploring the available options and using the nation's bone marrow registry program should not add to the ordeal. Consequently, the national registry program must be as effective as possible in matching unrelated donors with those in need, and the process should exact as small a toll as possible from those using the registry. It is my hope that the number and diversity of the donors will mean that this burden is lessened. Therefore, I would respectfully request of this subcommittee that strong consideration be given to appropriating addition funds for the purposes contained in my legislation. Although my esteemed colleague, Bill Young, a member of this subcommittee, has been instrumental in including funds for testing in the supplemental, additional funds for testing are still sorely needed.

The second issue which concerns me is the president's funding level for the impact aid program. As you recall, President Bush has called for a reduction of $98 million from the current funding level for impact aid. This failure to keep pace with inflation has serious implications for our nation's school districts and students dependent on the program, including nearly 13,000 in my congressional district.

Local governments view federally connected children as a federal responsibility. The children are in their schools because of the federal government, and either the parents or the employer, or both do not make any contribution to the school system's revenues through the local tax structure. Therefore, impact aid is a federal obligation which is vital in shoring up the eroded tax base which would have funded these school districts.

Cutting impact aid would seriously compromise the quality of education. I would, therefore, encourage the subcommittee to fund the impact aid program to the maximum extent possible. Further reductions or failure to keep pace with inflation will lower the standard of quality of public education for all students. Let us think of the money spent on this program as an investment in the future of the United States.

Thank you.

THURSDAY, APRIL 26, 1990.

## GALLAUDET UNIVERSITY; COMMUNITY SERVICES BLOCK GRANT

### WITNESSES

HON. STEVE GUNDERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

HON. DALE E. KILDEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

HON. THOMAS J. TAUKE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. NATCHER. Our next two witnesses, Mr. Kildee, come on up; Mr. Gunderson, come on up to the table here. According to our list, Mr. Gunderson, you would be first. Mr. Kildee is second. I want you both here to sit at the same table at the same time.

These are two of our friends, serve on Education and Labor. They have to authorize all these bills before we get them. They have to do a lot of hard work. As far as the Budget Committee is concerned, we know that you people do and we appreciate it.

Mr. Kildee, Carl Perkins was your friend. Mr. Gunderson, he was your friend. He didn't pronounce your name like I do. He would always leave the "D" out of his name. He always said Steve "Gunnerson," one of my good Members and one of my good Members on my committee.

Gentlemen, we are glad to have both of you before us. Now, Mr. Gunderson, suppose you take over first. Then Mr. Kildee, we will hear from you. Glad to have both of you.

Mr. GUNDERSON. Thank you, Mr. Chairman.

It is a privilege again to be before this distinguished subcommittee and, obviously, with my friend and colleague on Education and Labor, Mr. Kildee.

I will back-track for just a second to suggest to you, Mr. Chairman, that as I was walking over here, it just so happens one of my younger brothers is visiting town. I told him he was going to see one of the class gentlemen of the U.S. Congress in action. By that, of course, I meant you.

You may recall a couple of years ago, King Jordan, as the President of Gallaudet University, came before you and he taught you a sign. That sign was more. I am going to teach you a new sign today, and that is the same. We are not asking for more this year, Mr. Chairman.

I come to you as one of the two Congressional trustees of Gallaudet University. We are here to endorse the President's request for the Gallaudet University. It is no secret to either of you, and certainly no secret to Mr. Kildee that Gallaudet is not only a national liberal arts university for the deaf. It also is an institution that serves the needs of a national and a global constituency, both in terms of education and in service to the hearing-impaired community.

Over the past summer, Gallaudet hosted over 5,000 people from 81 different countries for Deaf Way. Gallaudet today is proceeding with a new graduate program, clinical psychology, social work and education for the deaf.

We have an ongoing vital institution before us that I have the privilege to serve as one of its two Congressional trustees. However, Mr. Chairman, you should know that as a member of that Board of Directors, we are very sensitive both to the generosity of the Federal commitment, and also to our obligations to become more and more of an independent institution.

An institution-wide reorganization process is being conducted, which when completed will result in a staff reduction of 10 percent. We are actively pursuing private donations to supplement the Federal appropriation.

As you know, Mr. Chairman, the President requested $74,000,000 for Gallaudet in fiscal year 1991. This is a request which I am simply here today to enthusiastically support. This represents about 6,400,000 over the 1990 level.

Briefly, there are two areas of which that increase will be focused on that I wanted to mention with you today. Number one will be a $3,900,000 increase for operating expenses to be used primarily for a salary and benefits increase for staff and faculty.

It is our goal to bring the Gallaudet University faculty and staff into the broad mid-range of the universities within the greater Washington, D.C. area based on enrollment and based on size and obviously based on programs and commitments.

Second, there is a $2,500,000 appropriation for construction and remodeling to expand Hall Memorial Building. Mr. Chairman, this is one of those buildings that not only is old and out of date in terms of science and technology, it is also old and out of date in terms of the way in which one conducts a class for hearing-impaired students.

The fact is that the room simply provides no means by which the teacher can communicate on a broad basis to a room full of students. That has to be changed. I am one of those people who, as a member of the Board, looked through the building, toured the building with our President and other members of the subcommittee.

I actually recommended that the building be razed, and we start over. The architects have come to the conclusion that financially, we can do the job in terms of the major remodeling.

If we can save money and achieve that goal at the same time, Mr. Chairman, then I am all for it. I will try to make up some of your time by being brief, and so that concludes my remarks. Thank you.

[The statement of Mr. Gunderson follows:]

TESTIMONY OF

THE HONORABLE STEVE GUNDERSON

BEFORE THE

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN

SERVICES AND EDUCATION APPROPRIATIONS

OF THE

U.S. HOUSE OF REPRESENTATIVES

APRIL 26, 1990

# Gallaudet Budget

Statement by

Cong. Steve Gunderson
Trustee of Gallaudet University

Mr. Chairman, distinguished colleagues, it is a pleasure to come before you today to testify on the Administration's budget request for Gallaudet University. As you may know, I have been charged by the House to serve as a Trustee of Gallaudet University - the world's only liberal arts university for the deaf. Thus, I come before you a colleague in the House of Representatives and a trustee of Gallaudet University - a facilitator, if you will, of communication between two great institutions.

Two full years have passed since Gallaudet University served as the back drop for a major social protest by the deaf community, their families, and friends. The protests which dominated the nightly newscasts with demonstrative hand gestures, colorful signs and occasional voices united in their plea for a Deaf President Now! are now nothing more than a memory. It would be wrong, however, to think that the battle is over or the race won; to believe that the deaf will become - a deaf president now in place - a silent and unseen people once again. For they have served notice that the appointment of Dr. Jordan as president of Gallaudet University was not the end of deaf aspirations for opportunity, but the beginning.

In the epilogue of Jack Gannon's The Week The World Heard Gallaudet, a stirring account of that famous week in March, King Jordan articulated a new charge for deaf people, "We must continue to build on the increased awareness of, and interest in deaf people. We must insist that the enhanced attitudes toward deafness and deaf people become even more positive. We know this, and we can do this only by demonstrating that, given the opportunity, deaf people can do anything but hear."

Indeed, deaf people can do anything but hear. I know they believe that, I know I believe that. There is, however, a natural gap between believing one can achieve and actually achieving; a gap which, unless it is bridged, will forever keep one from the other. Here, two ingredients are necessary. First, there must be a environment conducive for this transfer. Second, the deaf, themselves, need an opportunity to learn the skills which will enable them to translate their belief into achievement.

Congress has begun to prepare the conducive environment. Pending before the House are several bills which will provide overdue access to the "hearing" world. Legislation such as the American with Disabilities Act, the Emergency Phone Systems Equal Access Act, and the TV Decoder Act as well as a bill to equip the House with Telecommunications Devices for the Deaf(TDDs) will, if enacted, no longer exclude the deaf from communications access thereby beginning to set the stage for achievement.

The second necessary ingredient needed for translating belief into achievement is knowledge, a means which Gallaudet steadfastly pursues. In his State of the University Address delivered this Spring, President Jordan remarked, "Because of our unique position, we cannot forget that we serve a national and global constituency." Further, "The concerns of deaf people and their families across the nation must influence our debate and our actions - and we are acting." And, I might add, Gallaudet is educating.

This past summer Gallaudet hosted over 5,000 people from 81 different countries for Deaf Way, a week long celebration and conference on deaf culture which the university sponsored. Furthermore, Gallaudet is proceeding with new graduate programs in clinical psychology, social work and the education of the deaf. A Center for Excellence in Learning and Teaching to enhance faculty development is also soon to be established.

Moreover, the University continues to be a responsible steward of the federal dollars it receives. An institution wide reorganization is being conducted which, when completed, will result in a staff reduction of 10%. Gallaudet is also actively pursuing private dollars to supplement its Federal appropriation, which, as of FY 1989, now comprises 72% of its funding. I am particularly happy about this downward trend, and I assure my colleagues we will do everything we can to continue it.

As you know, the President has requested $74.047 million for Gallaudet in FY 1991, a request which I enthusiastically support. An increase of $6.4 million over the 1990 level, the President's request would provide a 5.8% ($3.9 million) increase for operating expenses to be used primarily for a salary and benefits increase to staff and faculty. The request also continues a $1 million appropriation for the university's endowment.

Allow me in closing, Mr. Chairman, to address one specific line item appropriation in the Administration's budget request for Gallaudet: the $2.5 million appropriation for construction to remodel and expand the Hall Memorial Building. As important as knowledge is to achievement, a physical plant is to the pursuit of knowledge. The HMB, as it is called, was designed with very little thought given to educating deaf students, and technological advances and demographic changes since its construction in the 1950s has necessitated change.

I bring this to your attention for two reasons. First, because Gallaudet has made a commitment to raise half the monies needed to complete the $15 million project - matching dollar for dollar the Federal appropriation. Secondly, because, after touring the Hall Memorial building myself, I recommended that the building be ra~~is~~zed and a new one constructed. But despite the potential for a more appealing fa~~s~~cade and greater flexibility, Gallaudet chose instead the cheaper route of renovation and in so doing once again demonstrated its worthiness of Congressional support. I am not fully convinced that they have made the right choice, but based on my past experience with Gallaudet University and the current Gallaudet administration I know it will be a success.

Mr. Chairman, by nature of its charter, Gallaudet is engaged in a partnership with Congress. It is and continues to succeed in its efforts in helping belief become achievement. It is our turn to act once again, and I urge this subcommittee's favorable action on the Administration's request for Gallaudet University.

Mr. NATCHER. Mr. Gunderson, we want to thank you for your help. Ever since you have been here, Mr. Conte and I and the other members of the subcommittee bring your bill to you and you help us. We appreciate it.

Mr. Kildee, we will be pleased to have you before our committee. It is a pleasure to have you. Ever since you have been here, you have always helped us. That is the reason we are able to pass our bill.

Mr. Tauke, come up and have a seat with Mr. Kildee. You two gentlemen are listed on the list together. We are glad to have both of you.

Mr. KILDEE. Thank you very much, Mr. Chairman. I have enjoyed working with you as a member of the authorizing committee. I am happy to report the Budget Committee assumed $2,500,000,000 above base line for education which will be assigned to your function, and $600,000,000 for Head Start over baseline aside from the extra money for the child care bill.

When does 302(b) allocations take place, you do a very good job making sure your money don't slip someplace else. Once you get it, you spend it very well.

You are blessed also, Mr. Chairman, as having as your ranking minority member a person who has great respect for human dignity. I am blessed with that, too, with Mr. Tauke. Mr. Tauke and I generally march to the Floor with a minimum of differences, if differences, because we both approach legislation as you and Mr. Conte approach legislation, with the idea that government's role is to promote, protect, defend and enhance human dignity.

Your bills do that, and this is a better country because of the bills you brought before us. I am here to testify on the Community Services Block Grant. The mandate of the CSBG is to provide a range of services and activities having applicable and potentially major impact on the causes of poverty.

We try to address the causes of that. In 98 percent of this Nation's counties, CSBG funds services which help families move from dependency to self-sufficiency. That is very important. Very often, our povery programs have been poorly designed, and people stay in poverty. This is to move them from dependency to self-sufficiency.

These services are provided primarily by community action agencies. The fact that low-income people make up one-third of the CAA's Board and are involved in developing programs and setting local priorities is a major component of CSBG's success.

When they walk into these offices, you can see human dignity is respected there. In my own district office in Flint, I get many calls. My city has 19 percent unemployment, the highest in the country. The movie, "Roger and Me" was about Flint, Michigan. My office is bombarded with people who are desperate, people who want to work.

We send them to the local CAA office. There, they get help. They are helped to move from that dependency to self-sufficiency. It is a program that really works. It never forgot its mission.

It is not a handout type of program. They give emergency help, but they really try to treat the entire family and help them move to that self-sufficiency.

You have been very generous with the—with this program. This year, we ask you again to give full appropriations for the program. You have been more generous than many of the Administrations. We call upon your committee to act again to save this program so it can help people move from that dependency to self-sufficiency.

I appreciate your listening to my testimony.

Mr. NATCHER. Thank you for an excellent statement.

Mr. Tauke, a number of years ago, I had the District of Columbia Budget Subcommittee. Every two years, I tried to give it to some good Member, and they wouldn't take it. I had it for 16 years, and I enjoyed it. We decided to set up a community school system program here in Washington.

We went to Flint, Michigan. With Mr. Kildee's help and others up here, we got Mr. Montgomery to help us with some money. We put 12 schools in the City of Washington under the community schools system.

The year before, we had to pay $397,000 to restore the window panes in the school buildings where they threw rocks through them. These buildings that we put in, the 12 to be exact, not a window pane was broken out of those buildings, not a one.

We opened up the school ground, we opened up the school buildings, said bring your Boy Scouts in here, use these buildings. Not a single pane was broken out of those buildings. Think about it. Nearly $400,000 to restore window panes in the other buildings.

Dale, you remember those days. That is where we got our extra money to help put this under. They love those buildings. They respected them. They didn't break any window panes out of those buildings.

Mr. Tauke, it is a pleasure to have you before the committee. We will be pleased to hear from you.

Mr. TAUKE. Thank you, Mr. Chairman. We need more of that creative thinking in the District of Columbia right now.

Mr. Chairman and Mr. Conte, it is good to be here. I want to echo all of the sentiments that my chairman, Mr. Kildee, expressed about you and your subcommittee.

Let me be relatively brief and to the point. When we were holding the hearings on the Community Services Block Grant, I said to Dale, this program has been nickled-and-dimed for years. The Administration for several years suggested we essentially eliminate the program.

Congress has generally rescued it, but we have rescued it by tripling the amounts of money that go into the program. And as a result, this program has been in something of limbo for a period of time. I suggested to Dale that we come here and try to see if we could persuade you to pull this program out of limbo and reconfirm Congressional support for it.

I am convinced from what I see in my own district that the community action agencies and the CAP programs they run are very effective. I believe it is critical for those programs, the Community Services Block Grant be there. The CAP agencies administer, of course, the programs like Head Start, low-income heating assistance, weatherization and a variety of other things.

They receive, of course, some administrative support money through those programs. But the Community Services Block Grant is what holds them together. It provides the base funding which allows those agencies to exist. But it also provides the assistance that they need in order to put together a package of programs for the people they serve.

One of the things about community action agencies that impresses me is that when they—they first of all have a good outreach effort into communities that is needed. When they find somebody, they don't just give them one piece of assistance.

They try to fashion a program of assistance to help them and get them back on their feet. You go to the welfare offices in my State. Maybe you will jump through all the hoops and you will get Food Stamps. Nobody bothers to say maybe you could also receive other assistance that would help you through that rough period.

But it is the CAPs that seem to be in a position where they can help an individual with all the resources we are trying to give to people, put together a program, work with them until they get back on their feet.

It is for that reason I think they do a good job. I think it is the kind of approach we should be taking more in our efforts in providing assistance to our fellow citizens. I would like to see them confirmed, if you will, and given the assistance they need to carry on and improve their operations.

So, that is why I am here, to urge you to give a substantial increase in funding to the Community Services Block Grant as we have tried to suggest in our authorization measure.

[The statement of Mr. Tauke follows:]

Testimony of

THE HONORABLE THOMAS TAUKE

before the

Subcommittee on Labor, Health and Human Services, and Education
House Committee on Appropriations

April 26, 1990

Mr. Chairman, thank you for providing my Chairman, Congressman Kildee, and myself an opportunity to appear before you to request a substantial increase in funding for the Community Services Block Grant (CSBG).

The CSBG program has been in a state of limbo for years. Both the Reagan and Bush Administrations have targetted it for elimination. Congress has rescued it but trimmed funding below current service levels. We are here to urge you to continue our commitment to CSBG by increasing the funding to approach the levels in the authorization bill.

Mr. Chairman, all one needs to do to understand the value of CSBG is visit a community action agency. Their service to the community is unique. I know of no other entity which provides services to low-income families who have significant needs but don't necessarily qualify for other assistance programs.

Of significant importance is the fact that low-income families and senior citizens are willing to access CAAs when they will not walk into a welfare or other public assistance office.

They feel at home at the community action agency. It is part of their community. Many of these people are too proud to go to the welfare office, but they will talk to the people next door. And, if they don't "go to their neighbors" for help, the community action agency comes to them. Community action agencies do a great deal of outreach in order to reach members of the community who may be in need of assistance but unaware of the programs which are available to them. No welfare office performs such a service to the low-income community.

Another unique aspect of CSBG is the ability of community action agencies to provide comprehensive services to low income individuals. A mother may walk into the community action agency seeking benefits under the WIC program and leave with LIHEAP benefits, drug counselling and parenting classes.

Community action agencies also use CSBG funds to leverage other types of assistance for low income families. While programs such as WIC and LIHEAP bring with them administrative funds, many of the activities provided by community action agencies are only available because the agency has actively sought funds from other sources.

Of great importance is the fact that community action agencies use CSBG funds to meet the unique needs of their community. As we all know, communities have different problems and different needs. The flexibility of CSBG allows each community to address the specific needs of its low-income population.

To be specific, CSBG funds are the glue money which permit the community action agency to operate and provide a wide range of services to the community. In recent years, the amount of funding provided to community action agencies has either decreased or remained stable. However, the cost of providing services has gone up and the community action agencies are experiencing difficulties in maintaining their current level of services.

I would, therefore, like to urge you to pull CSBG out of limbo and provide a significant increase in the Community Services Block Grant over and above the amount necessary to maintain current services. This year we are recognizing the value of this important program and reauthorizing the Community Services Block Grant with recommended increases in funding. CSBG provides valuable services low income families in a manner which cannot be duplicated by any other program.

Thank you for your consideration.

Mr. NATCHER. Thank you, Mr. Tauke. You ZAP.

Mr. CONTE. I want to thank the gentlemen for their testimony here today. They do work in a team, as you and I work as a team, to bring out a good bill here with the limited funds we have.

I also had the great pleasure of serving as co-chairman of the International Labor Rights Working Group with my good friend, Congressman Dale Kildee. We do a lot of work around the world on that one.

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THURSDAY, APRIL 26, 1990.

## INFANT MORTALITY

### WITNESS

### HON. DAVID E. PRICE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. NATCHER. Mr. David Price from North Carolina. It is a pleasure to have you before the committee.

Mr. PRICE. It is a pleasure to appear before you to urge as much general funding as you can manage. I am testifying today as a member of the Congressional Sunbelt Caucus Infant Mortality Task Force, which has worked over the last year to heighten the awareness of our infant mortality statistics in this country and develop policy solutions.

A number of us are serving on this bipartisan task force, 14 Members from nine southern States. We have seen the impact of high infant mortality rates in our communities.

In my home State of North Carolina, for example, the latest infant mortality figures place us last among the 50 States. Accordingly, the members of the task force have taken on the task of advocating for increased support for existing maternal and child health programs and proposing new initiatives that will help to reduce infant mortality in this country.

But this is more than just a southern problem. The most recent study conducted by the National Center for Health Statistics estimates our Nation's infant mortality rate to be 10.1 deaths per thousand live births. This troubling statistic places us 20th in infant mortality among industrialized countries, behind countries such as Canada, Japan, Spain and France.

I would like to point out programs that have been successful in reducing the infant death rate. I would like to submit a statement for the record.

First, Maternal and Child Health Services Block Grant. For more than 50 years, the Title V Maternal and Child Health Services Block Grants under the Social Security Act have provided free or low-cost basic maternity and pediatric care to millions of poor and near-poor women and children in this country.

The Administration has proposed to freeze funding for Title V at its fiscal year 1990 level. This program has been cut three times during the past decade, twice as a result of across-the-board cuts under the Gramm-Rudman-Hollings balanced budget law. The proposed freeze would have programs under Title V operating at only 60 percent of their authorized level, a level not adequate to meet the needs of expectant mothers and children, nor to make a substantial contribution to reducing infant mortality rates.

I support full funding for Title V programs in fiscal year 1991. This increase will allow for more specialized activities and programs under Title V aimed at reducing infant mortality and improving other maternal and child health services.

Nearly 600 community and migrant health centers provide comprehensive primary health care in some of the most medically underserved communities in this Nation. These centers represent one of the most effective Federal programs for reducing infant mortality and have ensured more than 3,000,000 children and 150,000 pregnant women access to basic medical services.

I have ample evidence from my district of how vital the services of these centers are. But in recent years, it has been virtually impossible to establish new centers in areas of need, and those that do exist are constantly pressed for funds.

Appropriations for community and migrant health centers are only a fraction of what they were, in real terms, in 1981, the current levels of funding for community health centers, $427,000,000, and migrant health centers, $47,000,000, only serve about 20 percent of all medically indigent persons.

The President has proposed a $12,000,000 increase in funding for community and migrant health centers, much less than is needed to keep pace with inflation. In order to meet the needs of the 35,000,000 persons in medically underserved communities, of which two-thirds are children and women of child-bearing age, I would recommend increasing the Administration's request to its current authorization level.

The National Health Service Corps is another program that has served communities throughout the Nation that suffer from a severe shortage of health professionals.

Since its inception, the National Health Service Corps has placed more than 13,000 professionals and has attracted health care providers to communities that would not be able to recruit their services otherwise. The Corps has been an integral part of the success of the community and migrant health centers and has provided communities with family practitioners where there have been no practicing obstetricians.

At one time, 3,000 Corps doctors were serving 5,000,000 patients. However, budget cuts during the previous Administration slashed funds available for scholarships and reduced the number of yearly awards from more than 6,400 in 1980 to fewer than 50 in 1988.

The revitalization of the National Health Service Corps is urgently needed, particularly in those areas where obstetrical services are unavailable. I urge the subcommittee to provide sufficient funding to breathe new life into this once-vital medical education program. This step, our Sunbelt Caucus Task Force has concluded, would give a major boost to our infant mortality offensive.

Mr. Chairman, our maternal and child health care needs are enormous and require a strong financial commitment. We need to provide maternal and child health services, community and migrant health centers, and the National Health Service Corps ample support so that we may improve the lives and the prospects of our country's children and their families.

We are told that we must not simply "throw money at problems," and of course, in a time of budget constraint, this is true. But like many cliches, this one may obscure the truth.

In many instances, including the improvement of maternal and child health, we know of many things we can do, many things that will work if we will but provide the resources.

Your subcommittee faces many pressing needs. Amid those needs, I implore you to give this one special consideration and concern. Thank you for your consideration.

[The statement of Mr. Price follows:]

**REP. DAVID E. PRICE**
Testimony before the
Labor-HHS Appropriations Subcommittee
April 26, 1990

Mr. Chairman and members of the Subcommittee, thank you for permitting me to appear before you regarding federal maternal and child health programs. I testify today as a member of the Congressional Sunbelt Caucus Infant Mortality Task Force, which has worked over the last year to heighten the awareness of and develop policy solutions to the tragic rate of infant death in this country. Those of us serving on this bipartisan task force --- 14 members from 9 southern states --- have seen the impact high infant mortality rates have had upon our communities. In my home state of North Carolina, for example, the latest infant mortality figures place us last among the 50 states. Accordingly, the members of the Task Force have taken on the task of advocating for increased support for existing maternal and child health programs and proposing new initiatives that will help to reduce infant mortality in this country.

But this is more than just a southern problem. The most recent study conducted by the National Center for Health Statistics estimates our nation's infant mortality rate to be 10.1 deaths per thousand live births. This troubling statistic places us 20th in infant mortality among industrialized countries, behind countries such as Canada, Japan, Spain, and France.

Under your leadership, Mr. Chairman, Congress has increased its commitment to improving access to maternal and child health services in this country. However, congressional efforts have suffered because of the previous Administration's declining support for maternal and child health programs. Though the current Administration has provided minimal increases for programs serving pregnant women and children, it is not enough to erase the misguided policies of the past.

I believe we must take seriously the challenge of the Commission to Prevent Infant Mortality to the President and Congress: pregnant women and children must be a front-line national priority now. In the next few minutes, I would like to point out some programs that have been successful in reducing the rate of infant death and in providing quality prenatal services to pregnant women, children and infants, but that ~~lack adequate funding to be effective~~ could be far more effective with enhanced funding.

### Maternal and Child Health Services Block Grant

For more than fifty years, the Title V Maternal and Child Health Services Block Grants under the Social Security Act have provided free or low-cost basic maternity and pediatric care to millions of poor and near-poor women and children in this country. They have established and supported a strong coordinated health care network at the community level and have ensured that quality maternal and child health services are available on a state and local level. This program has also served as a vital resource for the 12 million children and infants who are uninsured. It has been effective in reducing infant mortality and low birthweights, and in delivering cost-effective prenatal care.

The Administration has proposed to freeze funding for Title V at its FY90 level. This program has been cut 3 times during the past decade, twice as a result of across-the-board cuts imposed under the Gramm-Rudman-Hollings balanced budget law. The proposed freeze would have programs under Title V operating at only 60 percent of their authorized level --- a level not adequate to meet the needs of expectant mothers and children, nor to make a substantial contribution to reducing infant mortality rates.

I support full funding for Title V programs in FY1991. This increase will allow for more specialized activities and programs under Title V aimed at reducing infant mortality and improving other maternal and child health services.

Community and Migrant Health Centers

Nearly 600 community and migrant health centers provide comprehensive primary health care in some of the most medically underserved communities in this nation. These centers represent one of the most effective federal programs for reducing infant mortality and have ensured more than 3 million children and 150,000 pregnant women access to basic medical services. I have ample evidence from my district of how vital the services of these centers are. But in recent years it has been virtually impossible to establish new centers in areas of need, and those that do exist are constantly pressed for funds.

Appropriations for community and migrant health centers are only a fraction of what they were, in real terms, in 1981. The current levels of funding for community health centers ($427 million) and migrant health centers ($47 million) only serve about 20 percent of all medically indigent persons.

The President has proposed a $12 million increase in funding for community and migrant health centers, much less than is needed to keep pace with inflation. In order to meet the needs of the 35 million persons in medically underserved communities -- of which two-thirds are children and women of childbearing age -- I would recommend increasing the Administration's request to its current authorization level.

## National Health Service Corps

The National Health Service Corps is another program that has served communities throughout the nation that suffer from a severe shortage of health professionals. Scholarships are provided to students during their graduate medical education in exchange for their commitment to provide services in health manpower shortage areas after graduation. Corps members are required to spend one year of service for each year of tuition assistance received, with a minimum two-year service obligation.

Since its inception, the National Health Service Corps has placed more than 13,000 professionals and has attracted health care providers to communities that would not be able to recruit their services otherwise. The Corps has been an integral part of the success of the community and migrant health centers and has provided communities with family practitioners where there have been no practicing obstetricians.

At one time, 3,000 Corps doctors were serving 5 million patients. However, budget cuts during the previous Administration slashed funds available for scholarships and reduced the number of yearly awards from more than 6,400 in 1980 to fewer than 50 in 1988.

I am an original cosponsor of a bill introduced by our colleagues, Bill Richardson, Jim Cooper and Jim Slattery, to reauthorize the National Health Service Corps. However, this program will be ineffective without substantial increases in its yearly appropriation.

The President has proposed to increase funding for the Corps by $55 million to incorporate portions of his minority health initiative, which would provide scholarships for up to 750 future physicians, dentists, nurses, and nurse practitioners. However, this funding would not provide for Corps scholarships for the estimated 4,000 physicians needed in badly underserved areas.

The revitalization of the National Health Service Corps is urgently needed, particularly in those areas where obstetrical services are unavailable. I urge the subcommittee to provide sufficient funding to breathe new life into this once-vital medical education program. This step, our Sunbelt Caucus Task Force has concluded, would give a major boost to our infant mortality offensive.

## Conclusion

Mr. Chairman, our maternal and child health care needs are enormous and require a strong financial commitment to resolve. I ask that you give serious consideration to concerns I have raised today as you prepare the Labor-HHS-Education appropriations bill. We need to provide Maternal and Child Health Services, Community and Migrant Health Centers, and the National Health Service Corps ample support so that we may improve the lives and the prospects of our country's children and their families. We are told that we must not simply "throw money at problems," and of course in a time of budget constraint this is true. But like many cliches, this one may obscure the truth. For in many instances, including the improvement of maternal and child health, we know of many things we can do, many things that will work if we will but provide the resources. Amid the many needs facing your Subcommittee, I implore you to give this one special attention and concern. Thank you for your consideration.

THURSDAY, APRIL 26, 1990.

# IMPACT AID

## WITNESS

## HON. FRANK PALLONE, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. NATCHER. Our next witness is Mr. Frank Pallone. Come around, Mr. Pallone. We are delighted to have you before the committee. On this subcommittee, as you know, one of the able Members of this subcommittee is Bernie Dwyer from your State.

The reason why he is not here, they have an emergency meeting of another committee that you know he serves on. That is the reason he is not present at this time, but I want you to know that. We are glad to have you.

We will listen to you.

Mr. PALLONE. Thank you, Mr. Chairman.

I did notice that Mr. Dwyer was a Member of the committee and that he has been someone who has helped me a great deal since I started here in the House. I appreciate your mentioning that.

Basically, I am here today to discuss the Impact Aid Program and to ask this subcommittee's support in increasing funding for the program by $189,146,000, which would fund the 874 and 815 programs at their authorized levels of $835,000,000.

Mr. Chairman, I just wanted to briefly outline how some of the less than authorized funding, if you will, in this Impact Aid Program has affected one of my municipalities in my congressional district.

I don't think it is unique because I think there are other municipalities that are facing similar problems because of what I call the insufficient funding. In my district I have two towns, Eaton Town and Tinton Falls that have school systems which accommodate military children from the U.S. Army at Fort Monmouth and also from the U.S. Navy at Earle Naval Weapons Depot.

I am going to mention the Tinton Falls School District because they recently agreed to accept students from a neighboring school district which has received a major influx of Navy students as a result of an expansion at Earle Naval Weapons Depot.

Tinton Falls took the responsibility for these students with the hope that school construction funds would be forthcoming and that the Federal Government would adequately provide Impact Aid funds.

Unfortunately this hasn't been the case. I know you are aware that there has been a decline in Impact Aid funding since 1987. As a result, funding continues to be tied to the fiscal 1987 funding level because funds necessary to implement the new formula contained in Public Law 100-297 have been inadequate.

The Impact Aid Program has been forced to survive through exchange of funds through A and B programs as well as the school construction fund. Now, full funding of the Impact Aid Program at the $835,000,000 that I suggested would eliminate much of the number juggling which has undermined the Impact Aid Program and has adversely affected Tinton Falls' ability to go ahead with plans to construct the new grade school.

I also wanted to mention, again using Tinton Falls as an example, that they have a serious problem, again a loss in funds, if a change is not made in the Hawkins-Stafford hold harmless position. Although Tinton Falls will this year recognize an influx of students and thus elevate its status to what we call super A status, it will continue to be funded as an A school because Hawkins-Stafford prohibits a change in status from one to the other.

Mr. Chairman, again, I am mentioning my own municipality in New Jersey because there is a direct impact, but I believe that some of the concerns that I have raised really affect the program as a whole, and I hope that it would be considered as something that is of national concern. Thank you.

Mr. NATCHER. Thank you, Mr. Pallone. You have given us an excellent statement, and we appreciate your appearance.

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THURSDAY, APRIL 26, 1990.

## DRUG FREE SCHOOLS ACT

### WITNESS

### HON. JOLENE UNSOELD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. NATCHER. The next witness is Mrs. Unsoeld. Come right around.

We are delighted to have you before the committee, and we want you to know that we always appreciate your help. You are one of our new Members, but you are one of our good Members. You work hard, and we want you to know that we appreciate it.

Ms. UNSOELD. That is very kind of you, Mr. Chairman.

Sitting here this last hour has been a treat for me because I have not only learned a great deal, but I have absorbed an aura of what has been happening.

Probably more than any other committee, you deal with life and death issues that affect so many of the people in this country, and yet there is, as a contrast to the hurly burly outside, a sense of calm here, and I just wanted to say that I think it has been a marvelous experience, and I think it must be how you have handled all of these issues over the years and done such a good job is that sense of peace and dignity with which you approach these.

So thank you for that lesson also. I also learned as I listened that I have probably transgressed an unwritten rule because I have four short topics that I was hoping to mention to you. And I will try to minimize that transgression with brevity, but there are two education programs and two poverty programs that I really did want to discuss.

The first is the D.A.R.E Program, and I had never heard of that program a year and half ago until a sheriff took me by the arm after a town hall meeting, and he said, "I want to show you something." And he talked to me about this D.A.R.E. Program, and I found out that the police officers, the sheriffs, the police chiefs say we have tried scaring the kids. We have tried locking them up, but this is the first drug education program that has come along that we think has a chance to dry up demand.

And as I learned more about it, I found how difficult it is for some communities to take a uniformed officer off patrol and get them into the classroom, fifth, sixth grade classrooms, where the program is primarily focused.

It is an unusual, a unique type of program because it gives the young students a powerful reason to want to not have drug abuse and alcohol abuse, but it also gives them the skills to be able to resist peer pressure, to be able to find within themselves the means to say no and to carry that through their lives.

Now, $25,000,000 that I am hoping will be put into the D.A.R.E. Program comes about as a result of last year my having gotten language into the Drug-Free School and Community Act, which had the D.A.R.E. type programs qualified as an education program.

There are 2,000 D.A.R.E. programs in the United States now serving four million students at only $12 a student. That $25,000,000 would expand the program by about 50 percent, and D.A.R.E. is supported by the schools in which it exists. It is supported by our law enforcement officers, and if there is ever a need, it is as we address the drug problems, and I think that we should take our lesson from the law enforcement.

When they say this is an education program that works, and I hope, Mr. Chairman, that you will not say no to this very fine program.

The other issue that I would like to mention is the Impact Aid. I would like to join Mr. Pallone, and I understand there are other Members of Congress who will be testifying this afternoon on the Impact Aid, and I know what difficult decisions you are faced with as to how you expend the money that is allocated to your committee.

I would like to introduce Dr. Glenn Nutter, who is the Superintendent of the Yelm School District in my district, which educates a large number of Indian students from the Nisqually Reservation.

We are joining forces with others to emphasize the importance of the Impact AID to many of our communities. There are 12 school districts which educate nearly 3,000 federally connected children in my district. We are also pleading for that $835,000,000 to continue those programs.

A freeze at the current level would really be a further decrease, as has taken place since 1981. The ujique problems that Dr. Nutter and others who deal with these large numbers of federal impacted students realize how crucial it is for their school districts to be able to provide the same kind of services that other school districts do by the superintendent that comes from the Impact Aid Program.

I would also like to speak briefly about the two programs that my Chairman, Mr. Kildee, spoke to you this morning, the LIHEAP and the CSBG. LIHEAP serves the varying needs of the very needy. Most recipients earn less than $6,000, and it serves them well.

However, over the last few years LIHEAP has faced cuts of 30 percent, and that results in less than 35 percent of the eligible households actually receiving benefits. One point five million fewer people were served, and LIHEAP really needs our help.

Now, I know, Mr. Chairman, that you understandably want to phase out the transfer that has taken place between LIHEAP and the other poverty programs, CSBG, the CAP Program.

I was in the State and in the legislature when some of the transfer originated, and I remember the discussions, "Well, Congress is telling us this is the appropriate way to pool the total money to help these poverty programs."

I remember the discussion, yes, but there could come a time when they say we can't do it this way, and that is what is happening now. I support your move to phase out that transferring ability between those programs, but I am pleading with you to help us extend the time period to make that transition and to allow those states that have been highly dependent.

In my State, Washington, the total budget has a 50 percent basis because of that LIHEAP transfer, and those 19 of us states who have some transfer will go back to our state legislatures and work towards a phasing out of that, but I am hoping, Mr. Chairman, that you will allow us to do that gently and not at the expense of the Community Services Block Grant Program, because both of those are important, and it is essential that that support be given, particularly now in the Northwest where we are facing the timber crisis because of some of the timber shortage and the spotted owl issue.

And we are seeing mills closing and communities that are having wholesale constituents forced out of work, and these are the types of programs that are going to help tied us over during this transition and get those people back and those communities and those families back on a stable basis so that they can be productive again.

I know that that—there are several formulas I have been discussing with the Chairman, Mr. Kildee, and I hope that we can work out a phasing out of that LIHEAP transfer rather than just abrupt one that will cause real havoc on those states that at the direction of Congress became independent on that ability to shift.

I thank you very, very much, Mr. Chairman, for the opportunity to testify this morning.

Mr. NATCHER. Thank you very much, Mrs. Unsoeld. You have given us an excellent statement, and we appreciate your appearance.

Ms. UNSOELD. Thank you.

[The statement of Ms. Unsoeld follows:]

## Statement of Representative Jolene Unsoeld
## Labor, Health and Human Services, and Education Subcommittee
## Committee on Appropriations
## April 26, 1990

Thank you, Mr. Chairman, for giving me the opportunity to testify before your Committee. I would like to focus on two education programs and two poverty programs because I believe in them and they have a significant impact on the lives of the people I represent in southwest Washington.

### D.A.R.E.

I first learned about DARE from law enforcement officers. They told me that they have tried scaring kids; they've tried locking them up and none of it seemed to work. They told me that "prevention is the only answer," and DARE is the best program to come along that has a chance at reducing the demand for drugs.

Last year I was able to get DARE authorized for funding in the Drug-Free Schools Act. Now, Mr. Chairman, I am here to follow-up by asking you to provide $25 million to DARE.

DARE is unique. It goes far beyond the traditional anti-drug education programs. Typically, these programs emphasize drug identification and the harmful effects of drugs and alcohol. They warn children not to use these substances, but don't teach them how to resist the pressures to try them. DARE gives children skills to recognize and resist the subtle and overt pressures that cause them to experiment with drugs and alcohol. Many experts in education and medicine believe substance abuse prevention must begin early. DARE targets students when they are most vulnerable to tremendous peer pressure to try drugs or alcohol. The 17 lessons taught by a uniformed officer in the classroom help children build their self-esteem, manage stress, foresee behavioral consequences, resist pro-drug media messages, and identify alternatives to drug use. DARE teaches them not just that they should refuse drugs and alcohol, but how to say, "No".

In a nation that is desperately seeking solutions to our drug problems, DARE stands out as a **proven** weapon in fighting drugs among our youth. Therefore, I believe we have an obligation to our kids, to get this proven, effective, anti-drug strategy into our schools and communities **now**. It is critical that we support a program that is working.

House Majority Leader, Richard Gephardt, is supporting efforts to expand this program. He joined with me and Washington DARE students this week on a satellite education program to send the message that DARE works.

We could make a huge dent in the drug crisis by expanding DARE to every school. Additional funding would also help commit more officers to DARE without sacrificing patrol strength.

Mr. Chairman, in this instance, I hope you will DARE to say YES to expanding this proven program!

## IMPACT AID

Mr. Chairman, I understand you are faced with difficult decisions about how our scarce education dollars will be spent. While I cannot overstate the importance of new and innovative programs like DARE, they can only succeed if we make a commitment to strengthen and fund our existing education programs. One of the most vital of these federal responsibilities is the Impact Aid program.

I would like to introduce Dr. Glenn Nutter, who is the Superintendent of the Yelm School District which educates a large number of Indian students from the Nisqually Indian Reservation. We are joining forces today to emphasize to the Committee that **Impact Aid is important to Washington**. On behalf of the twelve school districts which educate nearly 3,000 federally connected children in my district, we urge you to increase Impact Aid funding to $862 million.

School districts I represent depend heavily on impact aid monies - both for category "A" and category "B" students. With our mixture of Indian students, military and other federally connected students, Impact Aid in southwest Washington cuts across the spectrum and allows these districts to provide quality education where a federal presence pre-empts local tax revenues.

A wide discrepancy is growing, however, between the cost of educating children and the federal Impact Aid payment. The Administration has slated a **freeze** for Impact Aid which really amounts to **cuts**. Impact Aid has already suffered a 50% decrease since 1981. That's half the amount school districts used to receive!

School district superintendents constantly ask me how they are supposed to maintain quality education programs while their budget continues to be slashed? They can't! And it is becoming more difficult for them to make up the difference. Impact Aid is an essential resource to our schools and students living in impacted areas should not receive an inferior education because we are shirking our responsibility.

Mr. Chairman, I thank you for the support you have given Impact Aid in the past and urge you to fully fund it this year.

## LIHEAP and CSBG

Finally, I urge you to increase funding for LIHEAP and CSBG, two worthy poverty programs that are absolutely vital to southwest Washington. Once again, it is imperative that programs that have proven themselves capable of meeting severe human need be funded.

LIHEAP serves the very needy (most recipients earn less than $6,000) and it serves them well. However, over the last three years LIHEAP has faced over 30 percent cuts which results in less than 35 percent of eligible households receiving benefits. 1.5 million fewer people were served. LIHEAP needs our help!

Mr. Chairman, I also want to bring to your attention the fact that the LIHEAP transfer is being phased-out in this year's reauthorization package. Although I believe the LIHEAP transfer has allowed states, like mine, to be more flexible in meeting the most urgent needs of the poor, I am also aware of the need to allocate more dollars to LIHEAP. I understand the transfer issue may have kept this Committee from funding LIHEAP to its fullest. Thus, as a member of the Education and Labor Committee, I will support a phase-out only because I hope it will send a strong message to you that LIHEAP is an important program. I also hope you will understand the sacrifice being made by some states to give up their ability to pool their anti-poverty funds. LIHEAP is critical to the low-income elderly in Washington and I am serious about removing the obstacles to getting it funded at the $1.6 million mark.

This leads me to the Community Services Block Grant Program. I strongly urge this Committee to increase funding to $451.5 million. Washington community action agencies are incredible entities! They provide some of the most effective, comprehensive services to the poor in the entire state. One message I get loud and clear from families who have been helped by their local CAPs is that the CSBG program is not a hand out, but a helping hand up during difficult times. The Administration is proposing to "zero-out" CSBG. If CSBGs disappeared, one third of our Washington CAPs would have to shut their doors and over half a million families would lose valuable food, housing, health and employment assistance.

A stronger federal commitment to the CSBG program in Washington and around the country is more critical than ever before. In Washington, we face a timber shortage. Mills are closing, family breadwinners are losing their jobs, and communities are on the brink of collapse. We need help and CAPs can access a broad scope of community resources to provide this vital relief.

Further, LIHEAP transfer funds constitute nearly 50 percent of Washington's CSBG budget! When the LIHEAP transfer ends, CAPs in Washington will lose half their funding! It will be tough for them to find other funding sources. In the meantime, families on the brink of poverty will go under. If we end the LIHEAP transfer, please know our CAPs will need a serious shot in the arm to continue essential services. A further loss of CSBG funding will have a devastating effect in Washington. We will need your help to make up the difference. Please provide at least an additional $9 million to CSBG to make up for the loss in LIHEAP support. It's a negligible amount of money to the federal government, but it can make all the difference in the lives of struggling families.

Thank you, Mr. Chairman, for your time and interest.

THURSDAY, APRIL 26, 1990.

## NATIONAL MARROW DONOR PROGRAM

### WITNESSES

**HON. WILLIAM GOODLING, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA**

**HON. E. THOMAS COLEMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI**

Mr. NATCHER. Our next witness is our friend and colleague from the State of Pennsylvania, a Member of the Committee on Education and Labor, in fact the Ranking Minority Member, Mr. Goodling.

Mr. Goodling, it is a privilege to have you before our committee, and as you have always heard me say, we always appreciate your support of our bill, and if our old friend Carl Perkins were alive, he would say to you or anybody that would listen to him, you are one of the best members on that committee.

Mr. GOODLING. Well, I certainly appreciate that. Sometimes it is sufficient to go before a committee to testify, but to come to this committee as long as you are chairing it and as long as you have Mr. Conte close by, I know that I don't have to do much testifying because you are going to take care of things without my even asking you to do so.

We certainly appreciate that. I wish I had an opportunity to serve on this subcommittee because I think it is probably the most important committee we have in the Congress of the United States. I have 16 pages here which I am going to condense into three, hoping the staff will look carefully at the other pages, because, as I said, I am preaching to the choir, and I don't have to do that.

My hope is that we are able to give you a little more money to deal with, and when we do that, I put some report language in on the budget document indicating that there are several areas that I hope we will pay careful attention to.

I don't have to speak about Chapter One. We think that now that we have demanded excellence in Chapter One, you are going to see an even greater program because now we are not only looking to see that the money gets to the people, it is supposed to get to, we are looking to see if it makes a difference when it gets there.

Of course, you wouldn't want me to leave here without mentioning Even Start. We have enough money at the present time for 127 programs. I spoke to the leaders of all of those programs. They are an enthusiastic group who I believe are going to do much to attack the illiteracy problem we have in the country.

If you give me $60,000,000, we can do the 127 plus we can do 186 more. We had hundreds that we had to turn down last year because with the budget problems we couldn't finance all of those.

Just a minute on Eisenhower. I know there were some concerns last year in our letter that we wrote to you, Mr. Chairman, my colleagues and myself.

We noted that strategies represented by the Eisenhower and the NSP Programs are essential and compatible parts of a fully developed National Science and Math Education Policy, the one serving primarily post-secondary and the other dealing with the very, very important area, which is elementary and secondary.

The Department has informed me that they are soon going to have the request cleared, and you will have all the information and a preview of that, I understand, would indicate that the Department has found them working very closely together, probably much more than we ever expected.

If the Ranking Minority Member could do as well by the Red Socks as he always helps you do in the areas of education——

Mr. CONTE. We would win the pendent.

Mr. GOODLING. You would have pennants year after year.

Mr. CONTE. That's right.

Mr. GOODLING. Adult education, I don't have to tell you we have 75,000,000 functional illiterate or illiterate adults in this country.

If you multiply that by three, I suppose you have a total population that is either illiterate or functionally illiterate, so besides Even Start, adult education is going to be very, very important. Perhaps you will hear this more from others, perhaps the most important area—I was talking to the Chairman this morning, what can we do to help the states and local communities.

I said one of the things we could do to possibly help them would be to fully fund, according to our commitment, our commitment to handicapped education. When we passed that legislation, we sent 95 percent of all the mandates back to the state and local governments.

We told them we would send them 40 percent of the money. last year we sent them 7 percent. Now, if we are going to fund the additional cost to educate a handicapped person versus a regular student, we are looking at about $1,800 per pupil.

We are presently sending about $300 some, some I hope we can do much more as the minority has recommended in their budget, a considerable increase in the area of handicapped education. If we do that, then we free up the money that the state and local governments are using which we promised to send them in the first place.

Let me move very quickly, then, to Head Start. This year I asked to testify first on Head Start because I wanted them to understand that we don't want to continue just give us more money and we will do a better job.

There are a lot of things within Head Start that we have to improve in order to make Head Start effective. I think you are going to like the bill that will come out from the committee, and I think we will have looked at how you educate the parent.

We will look at what readiness programs are available in the home in order to help this child when they come home. I think there are a lot of things that you will like where we are really beefing up Head Start rather than just saying give us more money and somehow or other it is going to work.

Job Corps, there are not too many spokesmen for Job Corps, particularly on my side of the aisle. I want to speak very strongly for Job Corps. Is it expensive? Yes, it is expensive, but it is cheap in relationship to any alternative, which generally means incarceration, which is very, very expensive.

These are youngsters, young people. It is their last chance. We are either going to help them become productive in our society or we are going to lose them forever, and that will be expensive.

Finally, let me just say that there is an imbalance between grants and loans in our post-secondary area assistance programs, and I hope we can do something about that.

Again, I will say as I said, when I arrived, I know I don't have to preach to the choir because as long as you two are there, you know we are going to do very well. I hope in the budget process we will help you do your job better. Thank you.

[The statement of Mr. Goodling follows:]

# THE HONORABLE WILLIAM F. GOODLING OF PENNSYLVANIA
TESTIMONY BEFORE THE
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION
COMMITTEE ON APPROPRIATIONS
FY 1991 FUNDING OF EDUCATION AND LABOR COMMITTEE PROGRAMS
APRIL 26, 1990

Mr. Chairman, Congressman Conte, I want to thank you and your colleagues for allowing me to testify before your Subcommittee this morning on the Fiscal Year 1991 funding of programs under the jurisdiction of the Committee on Education and Labor.

My testimony will once again call, as it has over the years, upon this Subcommittee's leadership in support of a strong and constructive Federal role in education. Given our awareness of the increase in the number of our Nation's children living in poverty and our knowledge of the relationship between educational deprivation and poverty, I will open my testimony by requesting your most energetic exercise of this leadership in connection with the coming fiscal year's funding of Chapter 1 of the Elementary and Secondary Education Act of 1965. Over the past two decades, this has been the elementary education program which has done the most to improve educational opportunities for our Nation's neediest children in the course of improving the quality of education offered by our Nation's neediest schools.

I urge the Subcommittee to provide Chapter 1 with an overall appropriation of $5,616.7 million for Fiscal Year 1991. Such an appropriation would represent a very modest $12.4 million, or 0.2 percent, increase over the amount requested by the President.

While I support the President's requests for Chapter 1's Basic and Concentration Grants to LEAs, I believe there is one program component of Chapter 1, Even Start, whose Fiscal Year 1991 funding level again deserves your special attention. Last year I was gratified to find that you had responded to my request for a substantial increase in Even Start's funding by recommending a 103 percent increase over the Fiscal Year 1989 level for the current fiscal year. This year the President has displayed his enthusiastic support of the program by requesting $48.0 million for it during the coming fiscal year, which would represent a 98 percent increase over the current fiscal year's operating level. I would urge you to provide Even Start with $60.0 million during Fiscal Year 1991, which is the budget authority assumed for the program in H.Con.Res.310 as reported by the House Budget Committee.

As I indicated last year, Even Start is a unique program that attempts to break the cycle of illiteracy in families by simultaneously addressing the problem of adult illiteracy and the need to reach the children of such adults with educational programs before they begin their formal schooling. Simply put, the basic premise undergirding Even Start is that we cannot hope to teach poor youth to read and write when their parents at home lack the skills to become more involved in their children's development and are unable to provide the additional teaching which traditionally complements lessons in the classroom.

The Department of Education has informed us that the President's Even Start request is sufficient to fund 127 continuation grants and 131 new projects throughout the Nation. My request for $12.0 million over the President's Budget would fund those 127 continuation grants plus 186 new projects, i.e., 55 more new projects than would get underway under the President's request. I strongly believe that Even Start's results to date definitely warrant such an accelerated rate of expansion for the program.

In late January of this year, Mr. Chairman, acting in concert with 14 of my Majority colleagues and 2 of my Republican colleagues serving with me on the Committee on Education and Labor, I signed a letter to you supporting the Dwight D. Eisenhower Mathematics and Science Education program.

In our letter, Mr. Chairman, my colleagues and I noted that the strategies represented by the Eisenhower and NSF programs are essential -- and compatible -- parts of a fully developed national science and math education policy. We pointed out that each strategy has a discrete mission, with the NSF program traditionally focusing its resources at the postsecondary and graduate level while the Eisenhower program responds to the "whole child", serving a large and diverse population, with its focus primarily in elementary and secondary education. We were encouraged, Mr. Chairman, that your Committee signalled a willingness to reassess the Eisenhower program by requesting the Department of Education to provide you with a report on what efforts have been made to coordinate the Eisenhower math and science programs with those conducted by the NSF.

The Department of Education has informed me, Mr. Chairman, that the requested report is in its final internal clearance stages and should be delivered to your Committee by the first week in May. I have been advised that the report identifies coordinative activities currently taking place (which I have been told are more extensive than most of us are aware of) and, in the course of acknowledging that there is room for improvement, the report lists new agreements reached by the two agencies to enhance the present level of coordination and linkage in the implementation of the two math and science programs.

In the expectation that the Department's report will bring about a positive reassessment of your evaluation of the

Eisenhower program, I am pleased to join the President's expression of confidence in the program by supporting his request for a $230 million appropriation for the coming fiscal year.

Considering that 51.8 million persons in the United States have been identified as having basic educational skills at or below the fifth-grade level -- which happens to be the educational level targeted by the Adult Education Act -- I will once again strongly urge you to increase the overall level of funding for our Adult Education programs to $246 million during the coming fiscal year. In particular, I urge you to bring the level of funding for the Workplace Literacy Grants and the English Literacy Grants to, respectively, $25 million and $6 million, and to provide the State Grant component with the $200 million requested by the President. The overall amount that I am recommending would only represent a modest 3.1 percent increase over the President's Budget Request for Adult Education, but it would substantially strengthen the ability of these programs to provide a larger number of persons with what amounts to their last chance to gain the educational level needed to achieve a modicum of success in our society.

The Committee on Education and Labor, Mr. Chairman, continues to share a number of serious concerns about some of our major postsecondary programs with your Committee. As I will indicate, we have taken a number of actions to address some of these concerns since I last appeared before you. Looking ahead, within a few months our Subcommittee on Postsecondary Education will be focusing on these concerns in the course of conducting extensive oversight over these programs, and early next year our entire Committee will be taking an in-depth look at definitive solutions to our mutual program concerns in the course of reauthorizing the Higher Education Act.

Federally subsidized loans continue to cause us considerable concern in two areas. The first is the continuing imbalance between subsidized loans and grant aid: as a percentage of Federal student assistance, grants have declined from accounting for approximately 50 percent in 1980 to 33 percent during the 1988-1989 academic year. The second is the continuing problem of defaults in the Stafford Student Loan Program (Guaranteed Student Loans).

Over 3 million of the neediest students in public, independent, and proprietary institutions currently receive Pell Grants. However, the increase in the maximum Pell Grant award from $1,750 in 1980 to the current maximum of $2,300 represents an actual decline of 16 percent in constant dollars despite increased appropriations.

I realize, Mr. Chairman, that these are times of budgetary constraint. However, I strongly believe that a continued freeze of the Pell Grant maximum award level at $2,300 for a third consecutive academic year will have a heavy impact on all students. With the consequences of such an impact in mind, my Committee's unanimous Minority recommendation for Pell Grant Regular Program funding for the coming fiscal year is $5.156 billion, which represents a $250 million, or 5.1 percent, increase over the amount requested for the regular program in the President's Budget. Such an increase would provide the funds needed to raise the Pell Grant maximum award level to $2,400.

My Committee's concerns over the continuing imbalance between loans and grants in Federal student assistance is closely tied to its concerns regarding support for graduate education. With one exception, the President's Fiscal Year 1991 Budget Requests for Federal graduate programs respond to projected demands for doctoral recipients. In particular, I support bringing the funding level of the Graduate Assistance in Areas of National Need program up to $25.5 million during the coming fiscal year. I also urge you to support the President's requested increases for the Patricia Roberts Harris Graduate Fellowships and Graduate Education for Minorities programs, which provide an effective approach to increasing the participation of students from groups under-represented in graduate education.

The exception is the President's proposal to phase-down the Jacob Javits Fellowships program, which happens to be the only

Federal postsecondary education program focusing on graduate study in the arts and humanities and the social sciences. For this reason, I recommend funding this program at $8 million.

As I noted earlier, the second major Federally subsidized loan problem my Committee has continued to grapple with is the persistent one of defaults in the Stafford Student Loan program. With such defaults approaching the $2 billion mark annually, these losses add up to one-half of the entire loan program's costs and have come to be the Department of Education's third largest expenditure.

Mr. Chairman, I read your Committee's Views and Estimates and I would like to emphasize that my Committee not only met but exceeded its budget reconciliation targets for Fiscal Years 1990 and 1991 and -- of particular importance to you -- did so by making substantial changes in the Supplemental Loans for Students (SLS) program. These changes have brought under control both the skyrocketing growth in the SLS program's loan volume and the even more dramatic default costs, which increased 1,664 percent between Fiscal Year 1987 and Fiscal Year 1989.

While there is still much to be done to restore the financial integrity of the student loan program, I believe my Committee's willingness to act on the matter during the current fiscal year's budget reconciliation indicates that the reauthorization of the Higher Education Act next year will bring equally effective changes in the student loan program. In the interim, my Fiscal Year 1991 funding recommendation for the Stafford Student Loan program is $4.131 billion. This level of funding corresponds to the Congressional Budget Office's updated Fiscal Year 1991 baseline estimate which, I believe, is based on realistic interest rate forecasts.

Moving on to special education concerns, my overall Fiscal Year 1991 funding recommendation for Education for the Handicapped is $2,708.4 million, an amount which is $571.0 million, or 26.7 percent, over the President's corresponding Budget Request. The greater part of the requested overall increase is for the account's Grants to States program, where I am requesting $2,042.6 million, or $427.5 million over the President's Request.

Mr. Chairman, ever since the beginning of Fiscal Year 1982, the Education for All Handicapped Children Act of 1975 (P.L.94-142), has **required** the Federal government to contribute 40 percent of the average per pupil expenditure (APPE) to help States finance the education of handicapped children. The Federal government, Mr. Chairman, has never fulfilled this commitment.

Let me describe the gap between promise and delivery more concretely: during the 1989-1990 school year, the Federal government only contributed $352 per child to educate a handicapped child; to fulfill the commitment made in P.L.94-142, it is estimated that the Federal government should be providing at least $1,800 to educate each handicapped child!

Together with my Minority colleagues in my Committee, I believe that we must begin to increase Federal dollars in the EHA State Grant program in order to move towards meeting the 40 percent mandate. We unanimously support the request I have made for the coming fiscal year, and we have agreed to recommend adding $250 million to the prior fiscal year's appropriation for the State Grant program for the purposes of funding it during Fiscal Years 1992 and 1993.

The effect of my State Grant funding level request for the coming fiscal year would be to increase the Federal contribution to $462 per child during that year, which would bring us up to approximately 10.2 percent of the APPE. This would represent progress towards the 40 percent commitment made in P.L.94-142, but would still leave us a long way from meeting it. We have estimated, however, that given a small increase in the number of handicapped children each year, our proposed $250 million increases in Fiscal Years 1992 and 1993 would raise the per pupil amount to, respectively, $512 and $563. Such amounts would at least maintain the 10.2 percent Federal share as the APPE increases over the next few years.

A smaller share of my requested overall increase for Education for the Handicapped would be for the account's Preschool Grants program, where I am recommending $355 million for the coming fiscal year, or $97.3 million over the President's Request for this program. Preschool Grants expand the scope of special education services for 3 to 5 year-old children with disabilities. Here too, EHA funding has fallen far short of the maximum per child award of $3,800. In the past three years, there has been a 20 percent growth in the preschool children receiving special education services. By 1991, States will be required to serve all 3 to 5 year-old children with disabilities. Given that the Fiscal Year 1989 per child award was only $500, States will be extraordinarily pressed to meet this mandate unless we provide them with additional assistance.

As you know, the President requested a major increase in funding for education research, statistics gathering, and for the improvement of practice. When I first reviewed this request during the formulation of my Committee's Views and Estimates to the Budget Committee, I was not well acquainted with the justification for this significant increase. However, I have recently spent some time reviewing the Department's justification and have met with the Assistant Secretary for Educational Research and Improvement, Chris Cross, and now feel much more comfortable with the President's request for $174.7 million. I believe that the Federal government does have a major role to play in the support of research and data collection in the area of education and am confident that the current plans and administration of these funds would greatly benefit our Nation's schools.

Our Subcommittee on Human Resources, Mr. Chairman, is now in the process of reauthorizing Head Start, Follow Through and several other programs. Full Committee action on the Human Resources Reauthorization Act of 1990 will take place on May 1st. Since the Senate Committee on Labor and Human Resources has yet to schedule its consideration of this legislation, it is not likely that we will have this legislation through Conference Committee in time for your Subcommittee's mark-up for the coming fiscal year.

Keeping in mind your practice of not funding programs before their authorization bills are passed, I will request you to anticipate completed Congressional action on the Human Resources Reauthorization Act and reserve $2.0 billion to fund Head Start during the coming fiscal year. My recommended appropriation is $113.7 million, or 6.0 percent, higher than the President's Budget Request. The Department of Health and Human Services (DHHS) estimates that Head Start will serve 488,000 eligible children by the end of Fiscal Year 1990. Through the President's request, DHHS estimates it could serve 668,000 children during the coming fiscal year. The amount I have recommended, DHHS estimates, could permit the program to serve 709,000 children, an increase of 221,000 children, or 45 percent, over the level served in the current fiscal year. In addition, my recommended level will also permit DHHS to step up its grantee monitoring activities to at least 30 percent on a yearly basis (here I would request you to earmark $2.5 million for this activity), and will allow both DHHS and the States to more effectively address issues of program quality and infrastructure development as well as an increased need for teacher training and family services.

Because of his understandable belief that the Follow Through program has demonstrated educational strategies for 20 years and has outlived its usefulness, the President has proposed zeroing out this program in his Budget Request. Our Subcommittee on Human Resources is working hard, however, to provide Follow Through with a new and more sharply defined mission: to demonstrate effective ways to enhance Chapter 1 and coordinate it with programs like Head Start. If our subcommittee is successful in this endeavor, I would urge you to reserve $7.2 million for Follow Through for the coming fiscal year, an amount equal to the program's current post-sequester operating level. If, however, the program were to be reauthorized without substantially reflecting the new mission mentioned above, then I would urge you to concur with the President's recommendation.

Among the Job Training Partnership Act's programs, there are two that I would like to single out for mention: the Basic Grants program (Titles I and II-A) and the Job Corps program

(Title IV-B). I strongly support a Fiscal Year 1991 appropriation of $1,969.5 million for the Basic Grants program, which would represent a $200.6 million, or 11.3 percent, increase over the amount made available to the program during the current fiscal year. I believe this increase is warranted given JTPA's increasing focus on serving those most in need, which quite naturally is resulting in the provision of more intensive, and thus more costly, services and training.

As for the Job Corps, which I consider the most cost-effective of our employment and training programs, I urge you to provide it with $835 million during the coming fiscal year. My recommendation is just $17 million, or a very modest 2 percent, over the President's Budget Request. My requested level would, however, allow the Job Corps to open at least two new Centers even as it would permit cost increases to be addressed and currently available participant services -- including substance abuse intervention services -- to be enhanced.

For the past two years, Mr. Chairman, I have come to you sharing my Committee's concerns regarding the Occupational Safety and Health Administration's (OSHA) lack of sufficient compliance inspectors and its need to upgrade the training for them. This year, however, I fully support the President's proposed level of funding for OSHA during the coming fiscal year. The additional funds requested by the President will enable OSHA to hire an additional 34 compliance inspectors. Secretary Dole and Assistant Secretary for OSHA Jerry Scannell have initiated a number of new programs (e.g., increased surveillance of the construction and meat packing industries) and have given a new emphasis to worker health and safety. An essential element of this new effort has to be an increase in the inspector force.

I cannot, however, go along with the President's Budget Request for the Mine Safety and Health Administration (MSHA). This request would, according to the Department of Labor's own figures, result in a reduction of 50 Full Time Employees (FTEs) at MSHA, including an anticipated reduction in the number of mine inspectors. Despite the Department's assurances that the overall level of mine inspections would remain constant notwithstanding the cited reduction, I am doubtful that this would be the case. I would therefore recommend funding MSHA at a $180 million level during the coming fiscal year, an amount $7.5 million, or 4.3 percent, over the President's request. MSHA has had too much of a major impact on improving mine safety over the past 20 years for us to permit any backsliding in this effort.

To conclude my testimony I would like to note that the President's request for additional funding to improve the enforcement of the Employee Retirement Income Security Act of 1974 (ERISA), which protects the benefits of employees and retirees under 900,000 employee pension and welfare benefit plans, has broad-based support on my Committee. Specifically, the President has recommended 100 new positions within the Department of Labor's Pension and Welfare Benefit Administration (PWBA) and 33 additional positions dedicated to ERISA enforcement within the Department's Office of the Solicitor. I strongly support the President's request for $58 million for PWBA during the coming fiscal year, which would not only provide for the additional personnel but would also support other crucial enforcement components including the automated ERISA data base system.

Finally, I want to thank you and your colleagues, Mr. Chairman, for the opportunity to testify on the future funding of programs we all view as particularly significant to our Nation and its citizens.

Mr. **Natcher**. Mr. Goodling, we want to thank you. Mr. Coleman, you are both listed here together and appearing together. We will be pleased to hear from you.

Mr. **Conte**. Before you do, Mr. Chairman, I just want to say that I deeply respect Bill and the work that he has done with all the big bills, child care, education for the handicapped and all of them.

I know you have got your hands full as Ranking Member of that Committee. You have long advocated that educational problems of this country can't wait for a balanced budget, and on that this subcommittee certainly agrees with you.

Mr. **Goodling**. Thank you, Mr. Conte.

Mr. **Coleman**. Mr. Chairman, Mr. Conte, I want to thank you. I will be very brief. I want to come to the committee again next year and express my support for the funding of the program called graduate assistance in areas of national need.

As you know, our shortfall of Ph.D.'s is significant, our training of U.S. citizens to be engineers and physicists in this country is going down, and we need to train our own, and you know that because you have supported this program since its inception with three years of appropriations, and we appreciate that very much.

For the first time I am able to come here today and ask the committee to support the administration's position because the Bush Administration has seen the wisdom of this program, and the emphasis on trying to be able to control our own educational destiny in this country, and they have requested the funding of the program up to $25,500,000 this year, an increase over the $15.8 million, which was appropriated last year.

Significantly, what that will do is to provide an effort to cut into the short fall that we will see in this country of some 9,600 Ph.D.'s in natural science and engineering between 1995 and the year 2010. It will fund up to 1,100 graduate programs for Ph.D.'s, and that will significantly help that shortfall and bring it down.

I am very excited about this possibility of obtaining more funding, getting the support of this administration, and so I come today to ask for the support of the committee to fund this program to a level where you originally had hoped that it would be, but because of the budgetary conditions of the past, we have had to reduce that first class down from 480 to 188, to this year's class.

With the appropriations recommended by the President, we can increase that up to 1,100, which is a significant and substantial impact, I think, in this area of critical national need. Thank you, Mr. Conte, Mr. Natcher.

[The statement of Mr. Coleman follows:]

# STATEMENT OF

# THE HONORABLE E. THOMAS COLEMAN

BEFORE THE

# HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

April 26, 1990

I don't need to remind Members of this Subcommittee that there is a growing concern about this country's ability to maintain its technological leadership as we prepare to enter a new century. The Department of Education administers an important program that will help sustain our preeminence in science and technology by increasing the supply of talented young Americans pursuing careers in teaching and research in areas of national need. In its FY 1991 budget, the Administration wisely calls for a substantial increase in this program, *Graduate Assistance in Areas of National Need*, from a current funding level of $15.8 million to $25.5 million in FY 1991. I strongly urge the Subcommittee to support the Administration's request.

After the shock of Sputnik in 1957, this nation built a national capacity in science and technology that fueled our enormous post-war economic expansion and provided the technological superiority essential to our national security. That technological superiority is now in jeopardy. Our R&D workforce is increasingly sustained by foreign nationals, as the number of U.S. citizens pursuing scientific careers falls behind the demand. Foreign students, faculty, and industrial scientists bring with them a rich array of talent; but it is a source of talent which will become increasingly unreliable as the demand for that talent–and the capacity to support it–increases in their home countries. The dramatic development of science and technology in the countries with which we compete is evident:

- Europe is overtaking the U.S. in its investment in civilian R&D: in 1989, the combined civilian R&D expenditures of the European Economic Community

(EEC) and the European Free Trade Association (EFTA) exceeded ours for the first time; by 1992, the EEC alone will likely surpass us.

- Since 1963, the percentage of U.S. patents granted to residents of foreign countries has doubled.

- The U.S. lags behind France, West Germany, Japan, and the U.K. in the percentage of students selecting engineering as their first degree, and we trail all but Japan in the percentage selecting the natural sciences.

Our capacity to meet *current* demands for science and engineering personnel is already inadequate. Yet that demand will grow sharply into the next century due to the growth in industrial and governmental R&D which will be required to maintain international competitiveness, and to a convergence of faculty replacement demand and college enrollment increases beginning in the latter part of this decade.

Projections by the National Science Foundation and other analysts show that under current trends, the future supply of scientific personnel will fall far short of demand. The supply of college graduates with science and engineering degrees will almost certainly decline over the next decade because the size of the college-age population will continue to decline until 1996 or 1997, and the percentage of college students earning degrees in science and engineering is unlikely to increase fast enough to compensate.

This will only aggravate the trends at the graduate level, where the percentage of Ph.D.s earned in our universities by U.S. citizens has declined for over two decades. In 1972, 80% of physical science doctorates awarded by U.S. universities went to U.S. citizens; by 1988, that percentage had dropped to less than 65%. In engineering, the percentage Ph.D.s earned by U.S. citizens dropped from 67% in 1972 to 46% in 1988.

Non-Asian minorities and women remain severely underrepresented in doctoral education. In 1988, blacks earned 3.7% of Ph.D.s awarded to U.S. citizens, yet they make up 12% of the population. Hispanics, who make up 6.5% of the population, received 2.6% of Ph.D.s. Although the number of female doctorates increased substantially over the last decade to 35% of total Ph.D.s in 1988, less than 7% of engineering Ph.D.s and 16% of physical sciences Ph.D.s went to women.

Continuation of these trends will result in an average *annual* shortfall of up to 9,600 natural science and engineering Ph.D.s between 1995 and 2010.

At least one of the factors contributing to this divergence of Ph.D. supply and demand has been the decline in available financial support. In 1969, the federal government funded approximately 60,000 fellowships and traineeships; today it funds less than 13,000. This drop was partially offset by an increase in support through research assistantships, from 20,000 in 1969 to 37,000 currently. However, that still left an aggregate decline from 80,000 graduate stipends in 1969 to 47,000 today.

To help provide universities with the resources needed to increase the number of U.S. citizens earning Ph.D.s in critical fields, I sponsored *Graduate Assistance in Areas of National Need* during the last reauthorization of the Higher Education Act. This program provides three-year merit, need-based grants on a competitive basis to high quality graduate departments to provide the necessary resources for these departments to *increase* the number of students educated in their doctoral programs. With the support of this Subcommittee, this program has been funded in each of the three years since it was authorized. However, the pattern of funding has been uneven:

- The program was first funded in FY 1988 at $7.7 million. The Secretary designated mathematics, physics, chemistry, and engineering as areas of national need to receive support. Three hundred twenty-nine institutions submitted proposals. Grants were awarded to 42 academic departments in 30 institutions, providing fellowship support for approximately 480 students.

- In FY 1989, the program received $12.8 million, $7.7 million for the continuing students and $5.1 million for the second class of fellows. Three hundred institutions submitted proposals, and 32 departments received grants, providing fellowship support for 318 new students.

- In FY 1990, the appropriation of $15.8 million left only $3 million for a new class after meeting obligations to continuing students. Only about 188 new students will be supported.

- The Administration's recommendation of $25.5 million for FY 1991 would provide a much needed increase in funding. Since the class funded in FY 1988 will have completed its three years of support, $17.4 million would be available for a new class of students ($9.7 million in increased appropriations plus $7.7 million freed up from the FY 1988 class). This amount of funding would support nearly 1,100 new students.

Given the projections of an annual shortfall of 9,600 Ph.D.s, the National Need program, if funded at a level supporting new and continuing classes of 1,100, would meet a little over 10% of the projected shortage of natural science and engineering Ph.D.s.

This country's capacity in science and engineering is too critical to our future to let the projected shortages become reality. We must change the current trends to preserve our technological edge. Meeting this challenge requires a systematic, sustained, bipartisan commitment. The funding requested for *Graduate Assistance in Areas of National Need* will respond to this challenge and help provide the human resources we will need in the 21st century.

Mr. NATCHER. We appreciate your statement, gentlemen, thank you very much.

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THURSDAY, APRIL 26, 1990.

## HANDICAPPED CHILDREN'S ACT

### WITNESS

### HON. JIM JONTZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. NATCHER. Our next witness is Mr. Jontz.

We will be delighted to hear from you at this time.

Mr. JONTZ. Thank you, Mr. Chairman. This is my first opportunity to appear before this distinguished subcommittee. I appreciate the chance to speak this morning.

I note from the agenda that you have heard testimony on many important programs, Impact Aid, rural health, Older Americans Act.

This is surely a subcommittee with very important jurisdiction to the people of this country, and I am honored to have a chance to speak here this morning. As a member of the selected education subcommittee, I want to speak briefly on the issue of special education funding, and I know I will be followed by some other members of the subcommittee who feel as strongly as I do about the need to improve funding in this area.

Back in my district I meet with students, parents, administrators to discuss with them the needs and goals of our special education programs. As the members of this subcommittee and you particularly, Mr. Chairman, know so well, if we are able to meet these needs and provide comprehensive educational services, these young people have a greatly improved chance of achieving their potential.

With the passage of P.L. 94-142, the Federal Government took on important responsibility for helping the states to provide the appropriate education to all children, no matter what their special needs may be.

Regrettably, we have not been able to do as well as the members of this subcommittee and others of us in the Congress would like to in providing funds to meet that responsibility.

As you know, P.L. 94-142 authorizations up to 40 percent of the excess cost of providing for these special education programs, but the Federal Government has never contributed more than 12 percent. During the last decade, this percentage fell somewhat, and then returned up to 8 percent, about $1,500,500 for the current fiscal year.

I would ask this committee to consider adequate funding to restore the federal commitment under 94-142 to at least what it was in the 1970's, 12 percent. According to the CBO, a billion-dollar increase in appropriation would result in a 4 percent increase in the federal proportion of total expense of the education of these students with special needs.

That would be an appropriation of $2,500,000,000 to restore a level of federal assistance to 12 percent total cost. As you know very well, the preschool and early intervention for special education programs established under 99-457 is scheduled for full implementation in the coming school year, and the federal commitment under this program is authorized and in my opinion should be funded at a thousand dollars for each child served.

The President has requested $257,000,000, which is about $762 per child. I would encourage the committee to fund this program at $355,000,000 level, which is the level authorized under 99-457. Everyone in the Congress understands and recognizes very well the success of the Head Start Program, and the Congress with the support of the President is taking steps to increase resources to that program.

I believe that if we make a similar commitment to re-school special education, this program will enjoy the same record of success. As you know, the various discretionary programs under 94-142 will be reauthorized this year by our Select Education Subcommittee.

My belief is that we are going to be attempting to undertake the mark-up of this reauthorization this next week under the capable direction of our Chairman, Major Owens, whom you will hear, and Mr. Bartlett, the Ranking Minority Member.

I would encourage this committee to meet the authorization levels for these discretionary programs with an equal appropriation of funds and at this time I want to mention just a couple of these discretionary programs that I think are particularly important.

The first is the part H Early Intervention Program for infants and toddlers. My State, like others, is in the process of implementing these programs, but is not able to provide the range of services needed or reach all the eligible children.

As the States move to implement, expand and improve these programs and to reach the increasing number of children who are in need, additional federal assistance is necessary, and for that reason I urge the committee to fund part H services at a level of $160,000,000.

In addition to helping children move into special education, we need to help them move on when they become adults. Too many children leaving programs established under 94-142 are not able to reap the rewards of their education because they have not received the transition services needed to enable them to function in employment and independent living environments.

My belief is that our subcommittee should authorize these programs at a level of $25,000,000, and I would encourage this committee to make appropriations at that level. Finally, I want to encourage the committee to fund the special education personnel development programs at the level set in the reauthorizing legislation.

The 12th annual report to Congress on implementation of 94-142 points out the many, many vacancies that exist and that are necessary to be filled for providing services to students with disabilities. We need to ensure there is an adequate supply of qualified special education professionals, and there is an especially critical need for minorities in this area and to provide for continuing access to education and training for these professionals.

Mr. Chairman, I appreciate the support that this subcommittee has given to these needs for special education in the past. I am very appreciative also of the chance to appear before you this morning to lend my support for these programs and thank you very much for your consideration.

Mr. NATCHER. Thank you very much, Mr. Jontz. You have given us an excellent statement. We appreciate your appearance.

Mr. JONTZ. Thank you, Mr. Chairman.

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THURSDAY, APRIL 26, 1990.

## EDUCATION OF THE HANDICAPPED ACT

### WITNESSES

**HON. STEVE BARTLETT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

**HON. PETER SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VERMONT**

Mr. NATCHER. Mr. Bartlett, Mr. Smith, come on up.

Have a seat. Mr. Bartlett, you are first on our list, from the State of Texas. We are delighted to have you before the committee, and we will listen to you.

Mr. BARTLETT. Thank you, Mr. Chairman. I have submitted my statement for the record and would highlight just a couple of items. Mr. Chairman, I appear before this very able Appropriations Committee with whom I have worked for the last eight years.

I appear before you as the Ranking Republican on the Authorizing Subcommittee for Select Education and have some observations and recommendations to you in terms of prioritizing your spending for the education of the handicapped programs.

I have been at it about eight years now on the authorizing committee, have a great deal of respect for what you all do on the Appropriations Committee. We have always worked well together and want to bring four priorities to your attention in specific on education of the handicapped.

The priorities that I would urge this committee to make in appropriating would be, first, an additional $500,000,000, which is a large number, and I will go into the details of it, to the part B state grant program, as Mr. Goodling alluded to.

Secondly, an additional $104,000,000 to part H, which is the early intervention in early pre-school state grant program. Third is a $25,000,000 funding for the new state grant situation program of a transition from school to work; and fourth, is an additional $8,700,000 for personnel preparation.

First, Mr. Chairman, on the basic state grant program. As Mr. Goodling indicated, the law states that we are to fund in exchange for schools accepting 94-142 or a free appropriated education for all handicapped children, we agreed in 1978 to fund 40 percent of the costs of those handicapped children.

We are at this point, Mr. Chairman, funding only about 7 percent of the cost. We have proposed from the authorizing subcommittee that that be increased this year by $500,000,000, which would still bring it up only to about 10 percent of the cost.

Mr. Chairman, I am also going to submit for the record and additional chart which would show that this increase of $500,000,000 would increase the amount to a total of $462 per child, up from the current $357 per child, which is still short of the funding in the authorizing legislation, which is provided for at $1,800 per child, so we provide in the authorizing legislation of $1,800 per handicapped child.

We are funding this year $357 per child. The authorizing subcommittee, or I would on behalf of the Republicans on the authorizing subcommittee, propose that that be increased to at least $462 per child.

Second, I would propose to substantially increase funding for the early childhood education programs. Now, there are two parts. One is in the infant and toddler program of the three to five. There are 128,000 infants and toddlers in that program that have been served only beginning flat-footed from 1986 when the law was passed.

Mr. Chairman, that program will be mandated for all schools who choose to stay in the program by 1992, so we are offering a carrot but not funding for the carrot, and I do have some fear that unless we increase the funding rather substantially for preschool services ages 3 to 5 between now and 1992, then some schools will opt out of that mandate as they are entitled to do. And we will, in fact, go backwards.

In the infants, from birth to two, that is an early intervention program which is most effective. It is still in a—it is not scheduled for a mandate, but it does seem to me, Mr. Chairman, if we want that to happen, then we need to be prepared to fund it in the increased levels.

Third, is at the other end of the school level, and that is what happens when children are in high school and are ready to transition from high school to work.

What we found is there are 238,000 high school—238,000 handicapped students who graduate or leave school in the 12th grade every year. Only 50 percent of those are employed a year later.

Mr. Chairman, what that means is we spend a great deal of federal and local money to educate handicapped children through school, get them through the 12th grade, and then everything stops, and they sit at home not doing any productive work.

The States tell us that what is desperately needed is a transition beginning with about age 14 to age 21 to transition those students from high school to work.

In the new authorization we will be proposing a transition program of ways of helping schools transition those students from school to work. We would propose a modest funding level of $25,000,000. I believe that $25,000,000 will make a major impact on roughly a quarter of a million people per year to transition from school to work, and last, Mr. Chairman, we have identified a shortage of 26,500 special education teachers in 1987–88 alone, which is the last year we have figures for.

There is a substantial shortage of special education teachers that are funded. I would suggest that the committee increase the funding for fellowships and for personnel preparation by the amount of $8,700,000. It should be funded even more, but that amount will be of some increase.

So, in summary, Mr. Chairman, my proposal or recommendation is four principal priorities in education of the handicapped that jump out, one is to begin catching up a lot faster in the state grants toward the 40 percent funding and move that up to $462 per student this year.

Second, fund the transition at both ends. That is, preschool priority the first grade, and then after high school of a transition to work, and third is increase funding for preparing special education teachers for special education work.

Those would be the priorities I would recommend to you. Look forward to working with you.

[The statement of Mr. Bartlett follows:]

The Remarks of the Honorable Steve Bartlett,
Ranking Minority Member of the Select Education Subcommittee,
Before the Subcommittee on Labor, Health and Human Services,
Education and Related Agencies on April 26, 1990 at 11:15.

Mr. Chairman: The Education of the Handicapped Act (EHA) has been one of our most successful education programs. It has completely changed the delivery of educational services to disabled children, but it has also changed. **Now is the time to set priorities within EHA to direct the further development of these services.**

Based upon my experience with EHA and the recent reauthorization process, my funding priorities are to add:

1) $500 million to the Part B State grant program.
2) $104 million to the Early Intervention and Preschool State Grant programs.
3) $25 million for a new State Grant transition program.
4) $8.7 million to the personnel preparation program.

**Priority #1:** Increased funding for the basic State grants.

Mr. Chairman, the Budget Committee has endorsed and assumed a $500 million increase over FY 90 post sequester funding for EHA's basic State grant program. Congressmen Goodling, Smith, and I have endorsed this proposal because:

1) 4.4 million disabled children will need EHA services in FY 91.
2) FY 90 grants to States for EHA totaled $1.5 billion.
3) By law the FY 91 State grants should equal $7.96 billion.
4) The promised funding has not been reached since FY 78.
5) A disabled child costs 2.3 times more to educate.

6) This increase will raise the per child amount by $100.
7) $500 million will be a 32% increase over FY 90 post sequester.
8) The FY 91 per child amount will be $462.

These facts strongly suggest that Congress should adequately fund EHA and fulfill the commitment made fifteen years ago.

**Priority #2:** Increased funding for early education programs.

These programs serve children with disabilities from birth to age 2 and from age 3-5 years. The reasons I am recommending these programs be increased by $7.3 million and $97.3 million respectively are:

1) The infants and toddler program is growing rapidly.
2) 128,000 infant and toddlers were served in 1988.
3) In 1989, Texas served 12,175 children and families.
4) In 1990, Texas could serve 35,438 children birth to 2.
5) Many States are waiting to see whether the Congress will make a financial commitment before making sustained commitment to serve eligible children from birth to 2. Several States are considering dropping out of the program because of the uncertainty of increased federal funding.
6) Preschool services for ages 3-5 will be mandated by FY 1992.

Increased funding for these programs pays the extra dividend of reducing the long term cost to special education by allowing children to enter regular classrooms prepared to learn.

**Priority #3** Funding for new transition program.

This new transition program will help handicapped youth make a successful transition from high school to adult living and employment. This program is needed because:

1) 238,579 EHA students left school in 1987-88.
2) Only 47% had high school diplomas.
3) Less than 50% were employed within one year.
4) 70% of the unemployed had done productive work in sheltered workshops and volunteer work.
5) 30% of the unemployed were doing absolutely nothing.

Funding this new transition program is the next logical step in our commitment to disabled children.

**Priority #4** Increased funding for special education personnel.

Training special education personnel must be considered in order to accomplish any of the EHA mandates. I have made this a priority because:

1) 26,500 additional special education teachers were needed in 1987-88.
2) 15,500 additional related services staff were needed in 1987-88.
3) More bilingual and cross cultural education staff are needed.
4) More qualified early childhood/special education teachers are needed for early education programs.

Trained personnel are a critical factor in every aspect of EHA and this program must be a properly funded if we are to meet the educational needs of disabled children.

**Conclusion**

The mandate for a free appropriate public education has greatly improved the educational opportunities for handicapped children. EHA has meant:

1) Helping severely and mildly retarded students make the most of their abilities while being mainstream with their nondisabled peers.
2) Teaching learning disabled students to read and succeed.
3) Bringing services for visually and hearing impaired children to their local schools.
4) Helping seriously emotionally disturbed children cope with day-to-day life.

Mr. Chairman, for all of these and many more handicapped children, a free and appropriate public education has meant academic success and a positive self concept and outlook on life.

Thank you, Mr. Chairman, for allowing me to testify before your Subcommittee regarding this important issue.

## EHA - Part B Funding ( Grants to States)

| Fiscal Year | Funding Part B | Increase Over Previous Year | Per Child Amount | Increase Over Previous Year |
|---|---|---|---|---|
| 1977 | .252 | | $72 | |
| 1978 | .566 | 124.6% | $159 | 121% |
| 1979 | .804 | 42.0% | $217 | 37% |
| 1980 | .8745 | 8.8% | $230 | 6% |
| 1981 | .8745 | 0% | $222 | -4% |
| 1982 | .931 | 6.5% | $233 | 5% |
| 1983 | 1.018 | 9.3% | $251 | 8% |
| 1984 | 1.069 | 5.0% | $261 | 4% |
| 1985 | 1.135 | 6.2% | $275 | 5% |
| 1986 | 1.163 | 2.5% | $282 | 3% |
| 1987 | 1.338 | 15.0% | $321 | 14% |
| 1988 | 1.432 | 7.0% | $338 | 5% |
| 1989 | 1.475 | 3.0% | $344 | 2% |
| 1990 | 1.526 | 3.5% | $357 | 4% |

### Funding Totals (Millions)

| | |
|---|---|
| Grants to States | $2,042.6 |
| Preschool Grants | $ 427.5 |
| Infants & Families Grants | $ 90.0 |
| Transition Initiative | $ 25.0 |

Mr. NATCHER. We appreciate your statement.

Mr. Smith, we would be pleased to hear from you.

Mr. CONTE. Mr. Chairman, I want to be excused. I have to go on the Floor and speak on the budget. It isn't because I don't want to hear you. I hear you all the time. I want to thank Steve for being responsive to Sandra Thomas, a constituent of mine, who is the President of the Association for Children With Attention Deficit Disorders, and I will be interested in seeing what you come out with there on EHA in the near future.

Mr. BARTLETT. I would say to Mr. Conte, we do plan to respond to that. We have had one hearing, invited the attention deficit disorder and the authorizing committee at this point intends to address that in the new authorization in a satisfactory form.

Mr. Chairman, if I could leave, I have—I am a little bit late at this point.

Mr. NATCHER. I understand.

Thank you very much. Mr. Smith, we will be glad to hear from you.

Mr. SMITH. Mr. Chairman, I will abbreviate my comments. I would, first of all, like to associate myself with the Ranking Member of our subcommittee, Mr. Bartlett, has said today in terms of the four programs that he has talked about.

I am going to speak simply about one program in a little more detail. Specifically, it has to do with Public Law 94-142. I am here today to urge you and your subcommittee to appropriate an additional $500,000,000 in fiscal year 1991 and to make or adopt a five-year plan to fund 40 percent of the costs of 94-142 as originally promised.

If we do these two things and reach 40 percent funding, there will be three, I think, extremely important consequences for local public education.

First of all, we will have kept our word. Second of all, we would have had a major impact on funding local schools, and third of all, we will create an opportunity to enhance quality in the classroom.

First, keeping our word. Funding of the 94-142 will provide evidence at the local level, which is where teachers teach and children learn, parents care and taxpayers live, that the Federal Government keeps its commitment.

We made a commitment in 1976 when the law was enacted to provide specific and flexible support to states to help them educate children with disabilities at 40 percent of the average per pupil cost.

This promise of support was accompanied by a civil rights mandate that each child with a disability receive a free and appropriate public education. Congressional intent then was clear, simple and unequivocal, but we haven't done it. Second, funding public education.

Keeping this funding commitment is the only way the federal budget can directly impact local school financing significantly and positively. There are many things we do with schools and there are many sources of money which are available to schools, but this is the only, to my knowledge the only federal program in which the funding couple is full and the only question is where the money is going to come from.

In that regard, it is significantly and substantively difficult from any other program that we have undertaken. School budgets all over this country are the lightening rod for local voter dissatisfaction, and teachers too often take the brunt of that anger.

In this case, specifically children, and the parents of some children take the brunt of that anger, but in fact the Federal Government bears a $6,000,000 share of the responsibility because federal support is that far below the promised level in funding Public Law 94-142.

In fact, we currently fund about $1,500,000,000 of the $7,500,000,000 commitment. If we demand that states comply with the civil rights mandate, and I think we have an unavoidable obligation to hold up our end of the bargain. We have had ten years to work towards the 40 percent, and we haven't made any progress towards achieving it.

Finally, third, improving the quality of education. Full-funding of 94-142 will help free other state and local education funds for initiatives to improve education. Never has the need for higher outcomes, better curriculum, higher and more aggressive learning been more important.

Developing our human resources, our children, is the key to our national security in the 21 century. With this funding, we sustain our commitment to special needs children and in so doing generate billions for other quality programs in local schools.

By freeing up other money, keeping special education funding commitment will give the besieged school teachers, principals, and school boards a chance to regroup and think and respond effectively. As we refocus the national education agenda to highlight achievement, I think that is something unavoidable and necessarily we are in the beginning stages of doing, we simply must refocus the national education agenda also.

Such an inquiry cannot be done from the top down, and it cannot leave children behind. It must be done at the grassroots level. It is the only way for sustained improvements to be institutionalized in our schools.

It should begin with a renewed congressional commitment to keep our end of the bargain. I strongly urge $500,000,000 increase over fiscal year 1990 post-sequester funding and a five-year plan to fulfill our original commitment of 40 percent.

I would say, Mr. Chairman, Mrs. Smith, any time you can keep your word, help children, support the drive for excellence in education and relieve local tax pressure, it is worth giving serious consideration to.

Everyone will benefit. Thank you for that, and as a postscript rejoinder on a totally different part of the budget, we have recommended to you a very small program in post-secondary, the fund for improvement of post-secondary education.

I would simply like to add my strongest possible support, having used a great big number in my first piece of testimony, $5,000,000 there will get you more value than any other $5,000,000 you spend in the budget. It is an outstanding program. I would be delighted to make available evidence, information any way that is useful to this committee.

I think it is the best investment in money at the post-secondary level dollar for dollar that we have made in the last 15, 20 years, and we, I think, recommend a $5,000,000 increase, and I just assure you that it is a good program and urge your consideration of that.

Thank you.

[The statement of Mr. Smith follows:]

Statement of the
HONORABLE PETER SMITH

before
The Subcommittee on Labor, Health and Human
Services, Education and Related Agencies

April 26, 1990

Mr. Chairman:

Since joining the House of Representatives in January, 1989, I have made increased funding for P.L. 94-142, the Education for All Handicapped Children, one of my top priorities. And thus I am here today, joined by both Republican and Democrat colleagues, to urge you personally to do just that.

Specifically, I urge you to appropriate an additional $500 million in FY91 and to adopt a five-year plan to fund 40 percent of costs as originally promised. Taking these two steps to meet the federal obligation to fund 94-142 will have three important consequences.

First, keeping our word. Funding will provide evidence at the local level where teachers teach, children learn, parents care, and taxpayers live, that the federal government keeps its commitments. We made a commitment in 1976, when P.L. 94-142 was enacted, to provide specific and flexible support to states to help them educate children with disabilities at 40 percent of the average per pupil cost. This promise of support was accompanied by a civil rights mandate, that each child with a disability receive a free and appropriate public education. Congressional intent then was clear, simple, and unequivocal. But we haven't done it.

I consider keeping our funding promise to P.L. 94-142 to be not only a moral responsibility but also an appropriate investment in America - in education, in schools, in families, but especially in children, our future. If we do not invest in these very special children now, through increased funding for P.L. 94-142, we will be supporting many of them in adulthood through Social Security disability payments and other rehabilitation programs.

Second, funding public education. Keeping our funding commitment is the only way the federal budget can directly impact local school financing positively. School budgets all over America are the lightning rod for local voter dissatisfaction. And teachers, too often, take the brunt of that anger. But, in fact, the federal government bears a $6 billion share of the responsibility because federal support is that far below the promised level in funding 94-142. In fact, we currently fund $1.5 billion of a $7.5 billion commitment, or eight percent. If we expect States to comply with a civil rights mandate, then we have an unavoidable obligation to hold up our end of the bargain. We have had 10 years to work toward the 40 percent promised, and we have not made any progress toward achieving it.

Third, improving the quality of education. Full funding of 94-142 will help free other state/local education funds for initiatives to improve education. Never has the need for higher outcomes, better quality curriculum and learning been more important. Developing our human resources--our children--is the key to national security in the 21st century. With this funding we sustain our commitment to special needs children and, in so doing, generate billions for other quality programs in local schools. By freeing up other money, keeping the special education funding commitment will give the besieged school teacher, principal, and school board a chance to regroup, think and respond effectively.

If on the other hand, money is tight, these same people will have to spend their time thinking about what to cut and eliminate. When adults are forced to think in such terms, children are the ones who suffer.

In conclusion, I want to be able to tell my constituents that we in Congress are looking beyond this year, that we are not shortsighted, that we are committed to human resource capital investment. As we refocus the national education agenda to highlight achievement, we must refocus the national special education agenda also. Such an inquiry cannot be done from the top down. It must be done at the grassroots level. This is the only way for sustained improvements to be institutionalized in our schools. It should begin with a renewed congressional commitment to keep our end of the bargain. I strongly urge a $500 million increase over FY90 post-sequester funding and a five-year plan to fulfill our original commitment of 40 percent. Anytime you can keep your word, help children, support the drive for excellence in education, and relieve local tax pressure; it's worth doing. Everyone will benefit.

Thank you.

Mr. **Natcher**. Thank you very much, Mr. Smith. You have given us an excellent statement. We appreciate your appearance.

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Thursday, April 26, 1990.

## CHILDREN'S PROGRAMS

### WITNESS

### HON. GEORGE MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. **Natcher**. Our next witness is our friend and colleague from California, Mr. George Miller.

Come around, Mr. Miller. Mr. Miller is not only a member of the Education and Labor Committee; he is a Chairman of the Select Committee on Children, Youth and Family. George, I want you to to know this, as one member of this subcommittee. We appreciate your friendship.

Ever since you have been a Member of Congress, we bring our bill out, you help us. You never fail. I want to thank you. We will listen to you now.

Mr. **Miller**. Thank you, Mr. Chairman. I appreciate those remarks. I don't quite know where to begin because I agree with everything this subcommittee does.

I am just here to ask for more, and that is a difficult position, but in my capacity as Chairman of the Select Committee on Children, Youth and Families, I am sure I share much of what you have gone through in these days of hearings already, and that is an incredible picture of the status of our children and many of our families in this country and the needs that—the need to be met on their behalf and how many children we have at risk.

Many, many, many of those children, the vast majority of those children at risk through no fault of their own. Either because of the inattention of their parents or the abuse of their parents or the lack of education or criminal activity, the whole gambit we now find some children at risk.

This committee has been responsive in addressing those needs, and much of what I am asking you to do I know you are already predisposed to do. I had an opportunity to ride in the subway last night with Mr. Conte, and he talked about your hearings yesterday where you listened to children who were suffering from birth defects and the problems in their families and trying to meet the needs of those children and families.

And I want to tell you how much I appreciate what the Members of this Committee do this time of year when they try to assemble a budget that will meet the priorities of America's families. I am here to ask you that you would join us in providing the amount of money necessary for the reauthorization of Head Start.

As you know, the administration and Members of Congress on a bipartisan basis have endorsed a substantial expansion of the Head Start Program, and all of its components for young children. I would join Mr. Smith in his recommendation that education for the handicapped, we have got to continue to try to strive to meet our federal commitment when we pass that Act, and I would hope that this committee would join in that.

With respect to child care, you were nice enough last year to reserve money awaiting the outcome of the debate between the authorizing committees in the House and the Senate, and to put that money aside until such time as those negotiations broke down.

We now see that the Senate has again appointed conferees and the House is in the position to do that after the passage of the bill last month, and we expect that those negotiations will be fruitful and that we will provide a child care bill that will have an impact on the jurisdiction of this committee. And we need those authorized funds to be set aside for the implementation of that program.

For many years, I have been coming to this committee asking for help to protect individuals and try to prevent family violence, and in each and every year you have helped us to improve that program, to expand the services to the more than one in four women and the children of those women that suffer from spousal abuse by members of their family, and I hope you would continue to do that.

This committee, as all social service delivery systems in the country are now being overwhelmed with the impact of crack cocaine, its usage and its abuse by people in the United States. We have just started a series of hearings on the impact of women, pregnant women who give birth to addicted babies, and it is very clear that we have got to provide additional support for those babies that are born addicted and to try to provide additional programs.

We now see the emergence of a number of successful models for getting women off of the addiction of this drug and getting them back into a position where they can start to take care of their own children. In the health area, I think I join the testimony that has been submitted by Congressman Waxman of California, and that is that we have got to continue to move and to expand our involvement in maternal and child health care block grants and the Childhood Immunization Program.

Tragically in California and elsewhere, we are seeing that when we made a lapse on immunization, now we are seeing an outbreak of measles in a population where we hadn't seen it for many, many, many years. The testimony, again, to the work of this committee in the preventive medicine area and now when we failed to do that, we now see that we need substantial new federal appropriations to address the outbreak of the measles epidemic.

Finally, against the wishes of this committee and many of us in Congress, the National Health Service Corps has continued to receive cut backs, and we are arriving at the point where we are no longer going to graduate students who have been the recipients of those scholarships, and in some instances we now find that the community health centers that rely disproportionately on students who are the recipients of those scholarships now may be in a position of having to close their doors, and of course, as you know, in many, many communities across this country, those health centers are the first line of care for individuals that need the kind of health care that we receive and is not available to them, and that finally on child welfare services.

We think that, again, on a bipartisan basis that a reauthorization of that Act will take place. This is, again, one of the systems that is starting to be overwhelmed by the drug abuse in this country. We have been working with the Republicans and the Democrats on the committee on developing a means by which we can improve this system, streamline the system to make sure that, in fact, we can deliver the services.

And finally, if there is—I will say that, too, meaning it this time, that is a program that I was able to get started and which you have been kind enough to fund. And that is to look at, if you will, the smallest victims of abuse, and that is the infants, and that is the Crisis Nursery Respite Care Program to provide so that people who are at risk of abusing their children have a place to take those children so that those children do not suffer from death and disability.

And that comports with the efforts here with respite care for parents of severely handicapped children that find themselves sometimes unable to cope with the continued 24-hour care of those children, and that we provide that kind of respite care for both of those types of families in the effort to prevent abuse and to make sure that those children have every opportunity at their full potential.

It is a full menu, but it is the jurisdiction of this committee, and we have always been very proud. You have been under incredible pressures over the last decade to try to meet all of our needs with reduced budgetary leeway, but you have made us proud, and you are quite right. Not only have we been successful with a bill that this committee has brought to the Floor, but we have been increasingly successful because more and more communities, I am afraid, have found themselves in need of the services which this committee funds.

So, thank you very much for the opportunity to appear before the committee, and thank you so much for your support for these and the other programs that you have provided.

[The statement of Mr. Miller follows:]

TESTIMONY OF
CONGRESSMAN GEORGE MILLER
CHAIRMAN, SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES
before the
Subcommittee on Labor/HHS/Education
Committee on Appropriations

April 26, 1990

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Chairman Natcher and Members of the Subcommittee, I appreciate the opportunity to testify on behalf of funding for important children's programs in the FY 1991 Labor/HHS/Education Appropriations bill, and commend the efforts of this committee in previous Congresses to restore and protect the most critical programs which benefit children and families. I come to you today to recommend that you build on these efforts in the FY 1991 appropriations bill.

A new sense of urgency has emerged about protecting and enhancing children's well-being, despite the significant expansions of many cost-effective early prevention programs made possible by this Committee. As the 1990's begin, growing numbers of children in the U.S. still remain at-risk of poverty, ill health, and school failure.

## U.S. CHILD HEALTH CRISIS

Assuring that children have every opportunity to be as healthy as possible should begin even before birth. Almost 40,000 infants die before their first birthday -- a tragedy still due largely to the incidence of low birthweight.

At a Select Committee hearing last fall, U.S. Assistant Secretary for Health James Mason testified that with present knowledge we could immediately save 10,000 of these 40,000 infants who die each year and save $2 billion annually in the cost of caring for low-birthweight infants.

Yet, more than one million pregnant women receive insufficient prenatal care each year, and black women are more likely than white women to receive late or no care at all.

And still 40% of preschool children are not immunized. In some inner-city areas and isolated rural communities the percentage is as high as 55%. We're even beginning to see resurgences of childhood diseases, such as measles and whooping cough, that we had long since thought were eradicated. Increases are needed in the Childhood Immunization Program this year to cope with the rising measles epidemic as well as the ever-increasing cost of the vaccines themselves.

Again, this is not surprising given that some 11 million children have no health insurance and at least seven million children don't even receive routine medical care.

## CHILDREN'S WELL-BEING

More than children's overall health status is at stake -- their very lives may be as well. We have failed to protect far too many children from harm or even grave danger.

Each year, more and more children are reported as battered or neglected -- over 2.4 million in 1989, a 10% increase over the previous year and well over 90% since 1981 -- and more and more children die from abuse or neglect -- over 1,200 in 1989 alone.

Each year, more and more children grow up in shelters, on the streets, or in one foster home after another. In fact, today, one out of four homeless persons is a child, and the fastest growing group among the homeless are children and their families. As testimony before the Select Committee on Children, Youth, and Families has revealed, the cognitive, emotional, developmental and health consequences of homelessness for children can be devastating and long-term.

And, each year, ever more children are born addicted to drugs and alcohol. According to a study conducted by the Select Committee last year, as many as one in six babies are born addicted to "crack" and other substances -- a nearly fourfold increase over the past three years; yet two-thirds of surveyed hospitals had reported no place to send pregnant substance abusers for treatment.

The drug epidemic is taking its toll in other ways. The majority of child abuse cases now involve parental substance abuse and the most recent statistics warn that the number of children with AIDS is still on the rise, and congenital syphilis is reaching epidemic proportions.

Many of these problems are fueling record numbers of children in out-of-home placements. A recent Select Committee report, "No Place to Call Home: Discarded Children in America," warned that if current trends continue, by 1995, the number of children living in foster homes, mental hospitals, and juvenile detention facilities could exceed 840,000, up nearly 75% from the nearly 500,000 children now estimated to be in out-of-home placement.

THE COST TO SOCIETY

All the evidence is in. Report after report -- from medical schools, universities, government agencies and think tanks -- and children's hospitals -- warn that the United States is losing more than 20% of our children to poverty, and millions more to ill health, malnutrition, disability and school failure.

The fiscal cost is enormous. The Committee for Economic Development, composed of CEO's from the Fortune 500, estimates that each year's high school dropouts cost the country $240 billion in lost productivity and foregone taxes. If we fail to implement a strategy for investing in young children, the losses resulting from youth who drop out of school over the next four years alone would amount to almost $1 trillion over their lifetimes.

The evidence also documents that it doesn't have to turn out this way. We know how to solve the problem. We have made the case that proven effective preventive programs such as prenatal care, early childhood education, and immunization save from $3 to $10 for every $1 invested.

Nonetheless, thousands are still turned away from these and other preventive infant and child health services, and they are suffering the consequences.

The cold truth is that the deficit is high and extraordinary competition exists for limited dollars. But, every day that we defer the problem, the worse it gets.

What we have failed to recognize is that when children start out with health, social, and educational deficits, they will be contributing to the federal deficit every day of their lives.

## LEARNING FROM DEVELOPED NATIONS

It is not as if we are lacking the tools, the knowledge, or the successful models.

Recently, the Select Committee released a U.S. Bureau of the Census report on international comparisons of children's well-being, a compilation of the most comparable international data on children and youth available. While the report raises a lot of significant policy questions, the findings are startling.

Every other western industrialized nation studied does better than the U.S. in keeping children out of poverty; in minimizing health and safety risks to children; in supporting and nurturing stable and healthy families.

Among 6 western industrialized nations, the U.S. and Australia have more children and families in poverty even after we've provided tax and transfer benefits. And if you are a poor family in the United States, you are more likely to have lower earnings and less likely to receive any government aid than poor families in other western industrialized nations. At least 99 percent of poor families with children in the developed countries studied received government assistance, compared with only 73 percent in the United States.

The most egregious disparities between the U.S. and other developed countries are in infant mortality, youth homicide, and teenage pregnancy and childbearing rates:

** Among 11 developed countries with comparable infant mortality data, only Hungary had a higher infant mortality rate than the U.S.

** Male youth in the United States are more than five times as likely to be murdered than those in the other developed nations studied.

** The U.S. has the highest percentage of teenage women who become pregnant. Among the industrialized countries studied, teenage birth rates are almost twice as high in Hungary and the United States than in the countries with the next highest rates.

The Select Committee was also privileged to engage in discussion with the European and Canadian child health experts at a recent hearing about what we can learn from their national health policies that will result in better child health outcomes in the U.S.

No pregnant woman in Europe has to ask how or where she will receive prenatal care or who will pay for it.

And, compared with our friends in Europe, we fall far short of offering families in need support services such as respite care or home visiting.

And if there is any lesson to be learned from our international neighbors around the world, it may be how to budget more effectively. Other countries may spend less of their gross national product on education and health care -- they are just spending it more wisely.

GOVERNMENT'S ROLE IN INVESTING IN COST-EFFECTIVE PROGRAMS

In my view, our government should be providing at least the fundamental building blocks for young children, especially the most vulnerable, and the tools to help families stay together and be economically independent.

That means:

** Full funding for programs that provide early childhood education to promote school readiness: Head Start, Comprehensive Child Development Centers, Preschool Incentive Grants and the Infant and Toddler Program under the Education for the Handicapped Act, and Even Start;

** Full funding for education programs so that we don't abandon children once they enter the school-house door: Chapter 1 Compensatory Education for Disadvantaged Children, the Education of the Handicapped Act Basic State Grant and Discretionary Programs;

** Full funding for programs to maximize the health and development of young children: the Childhood Immunization

Program, the Maternal and Child Health Block Grant, the Lead Poisoning Prevention Program, Community Health Centers (the administraiton has requested additional funds to provide health care for minorities at risk), and the National Health Service Corps (which if not signficantly expanded may result in the closure of 200 community health centers this year, which rely on NHSC to keep their doors open);

** Full funding for programs that support and ensure family stability: The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act, the Child Abuse Prevention and Treatment Act, the Family Violence Prevention and Services Act, the Stewart McKinney Homeless Assistance Act, and the Alcohol, Drug Abuse, and Mental Health Block Grant;

** Full funding for youth at-risk: The Runaway and Homeless Youth Act; Drug Abuse Prevention grants targeted at Runaway and Homeless Youth and Youth Gangs; and the Office of Substance Abuse Prevention grants targeted at pregnant women and their infants and other high-risk youth; and the Drug-Free Schools and Communities Act, which contains a provision just approved by Congress which I authored to provide emergency protective services, additional caseworkers, counseling and related services to children whose parents are substance abusers. This program is desperately needed by a child welfare system near collapse from the Nation's drug crisis.

For those programs awaiting reauthorization, I strongly request, Mr. Chairman, that you reserve additional funds as described on the attached table.

Last year, at my request, this Subcommittee and the Congress appropriated additional funds for the Department of Health and Human Services to support university research centers on children's policy, and for the continuation of the congressional fellows programs that has provided so many of our offices and committee with highly trained academicians on a one-year placement. I am very grateful for the support you gave to this program.

Unfortunately, the actions of the Administration, once the money was appropriated, was substantially below congressional expectations. the Administration for Children, Youth and Families (ACYF) did not utilize most of the $1.8 million in appropriated funds for the specific purposes intended and directed by the Congress.

Instead, over half the money was diverted by ACYF to supplement normal staff operating costs that had been reduced by sequestration and other budgetary actions. Thus, the money Congress intended to expand child research programs was instead used for the normal operations of ACYF, despite clear congressional directions to the contrary.

Under ACYF's RFP, only three centers will be funded with the remaining $800,000, clearly not the level of matching support for the centers Congress intended. Moreover, ACYF has decided to fund a fellows program that serves only ACYF, not the Congress, which is also counter to the goal of sustaining the congressional fellowship program.

While I support continuation of funding for these efforts for FY91, I urge that the Committee include in its Report explicit directions to the Department of Health and Human Services and ACYF that these funds be used solely for the specific purposes intended by the Congress so that the diversion of funds that took place this year is not repeated.

And finally, child care. Over five years ago, the Select Committee identified child care as the greatest unmet need of America's families -- to reduce barriers to work, to relieve stress and financial drains on parents, and to improve the cognitive and social development of children.

The House of Representatives passed landmark child care legislation that will give parent maximum choice and states the authority, guidance, and flexibility to significantly expand child care opportunities for families. The House-passed bill provides for the expansion of the highly respected Head Start program to a full-year, full-day program to meet the needs of working parents, and assures that neighborhood schools are able to offer convenient and reliable before and after-school care and comprehensive early childhood education.

It is especially gratifying that the House-passed bill includes criteria and fiscal incentives to ensure that children will be provided safe and developmentally appropriate care.

While the bill contains the guarantee of funding, both through a new entitlement for child care services for Title III, and through an expanded Earned Income Tax Credit for working parents, Titles I, II, IV, V and VI must go through the appropriations process to receive any funds. I fully expect this legislation to be enacted before the end of this Congress and if we are to have a truly comprehensive child care policy in this nation, I implore you to consider fully funding those Titles under your jurisdiction when the authorization process is complete.

We need to bolster, not cut, or sacrifice one program for another. I urge you to support these critical funding requests for FY 1991 (See attached Table). The health and well-being of the nation's most vulnerable children, youth, and families depend on your foresight, commitment and support to all of these critical programs as budgetary priorities.

## FY 1991 FUNDING REQUESTS FOR CRITICAL CHILDREN'S PROGRAMS

| | FY 1991 Request |
|---|---|
| EARLY CHILDHOOD EDUCATION | |
| Head Start (Pending Reauthorization) | $2.386 billion |
| Comprehensive Child Development Centers | $25 m |
| Education for the Handicapped | |
| 1) Preschool Incentive Grants (sec. 619) | $355 m |
| 2) Infant Toddler Program (Part H) | $160 m |
| Even Start | $25 m |
| Child Development Associate Scholarships | $3 m |
| FAMILY SUPPORT/CHILD WELFARE | |
| Child Welfare Services (Pending Reauthorization) | $600 m |
| Temporary Child Care for Children With Disabilities/ Crisis Nurseries Act | $20 m |
| Child Abuse Prevention and Treatment Act | $48 m |
| Child Abuse Challenge Grants | $7 m |
| Family Violence Prevention and Services Act | $26 m |
| Stewart McKinney Homeless Assistance (Pending Reauthorization) | |
| 1) Education for Homeless Children | An additional $50 m over current appropriations |
| 2) Health Care for the Homeless | $66.2 |
| Alcohol, Drug Abuse, and Mental Health Block Grant | $3 billion |
| State Dependent Care Development Grants | $20 m |
| SCHOOL-AGE SERVICES | |
| Compensatory Education for Disadvantaged Children, Chapter 1, including Concentration Grants | $ 5.7 billion |

| | |
|---|---|
| Education for the Handicapped<br>Basic State Grant Program (Part B) | $2.5 billion |

## CHILD HEALTH

| | |
|---|---|
| Childhood Immunization Program | $236 |
| Maternal and Child Health Block Grant | $686 m |
| Lead Poisoning Prevention Program | $24 m |
| Community Health Centers | $500 m |
| Migrant Health Centers | $60 m |
| Infant Mortality Initiatives | $37.5 m |
| National Health Service Corps | |
| Loan Repayment and Scholarships | $75 m |
| Field Placement | $55 |

## AT-RISK YOUTH

| | |
|---|---|
| Emergency Protective Services Grants for children whose parents are substance abusers (under P.L. 101-266) | $40 m |
| Runaway and Homeless Youth Act | $50 m |
| Transitional Living Program for Runaway Youth | $25 m |
| Drug Education and Prevention Program for Runaway and Homeless Youth | $20 m |
| Youth Gang Drug Education and Prevention Program | $20 m |
| Office of Substance Abuse Prevention Demo Programs (includes grants for pregnant women) | $230 m |

## CHILD CARE (Pending Final Passage)

| | |
|---|---|
| Title I: Head Start Expansion | $611 m |
| Title II: School-Related Child Care | $429 m |
| Title IV: Quality Improvement | $260 m |
| Title V: Business Involvement | $25 m |
| Title VI: Standards Improvement Demonstrations | $75 m |

Mr. NATCHER. Mr. Miller, thank you very much. You have given us an excellent statement. We appreciate your appearance.

Mr. MILLER. Thank you.

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THURSDAY, APRIL 26, 1990.

## RURAL HEALTH

### WITNESSES

**HON. VIRGINIA SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA**

**HON. BYRON DORGAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA**

**HON. CHARLES STENHOLM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

**HON. TERRY BRUCE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS**

**HON. BILL RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO**

**HON. MIKE ESPY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI**

Mr. NATCHER. Next we have our panel discussion. We have here sitting on my left, Mrs. Smith from the State of Nebraska, one of the good Members of the House and one of the good members of the Committee on Appropriations. Mrs. Smith, it is a distinct privilege to have you here with us.

We want you to take charge of this panel discussion. We know all these good-looking gentlemen sitting at that table. How shall we proceed, Mrs. Smith?

Mrs. SMITH. Thank you very, very much for giving me this privilege, and may I take just one moment to introduce Dr. David Myer, one of the outstanding orthopedic surgeons from my district, who is so interested in what you are going to say that he has been sitting here listening.

Mr. NATCHER. We are delighted to have you with us, Doctor.

Mrs. SMITH. Thank you very much for giving me and for giving our committee the opportunity to once again bring the concerns of the Rural Health Care Coalition to you. I am just delighted that we have here at the table a panel of our most effective and knowledgeable Members, including Byron Dorgan, Charles Stenholm, Terry Bruce, Bill Richardson, Mike Espy.

All of them contributed greatly to the success of this coalition. Mr. Chairman, I want to tell you in opening this that a few years ago, in fact, in 1987, this Coalition was started with just a handful of Members. Now, we have more than 140 Members from 44 states and the Virgin Islands.

I think that we have done a great deal toward bringing equity in federal health assisted care to rural America, and I am also very pleased that two members of your subcommittee, Mr. Obey and Mr. Webber, are Members of our health care coalition along with 17 Members of the full Appropriations Committee.

You know, more important, though, than our membership, are our accomplishments. Every spring we do a thorough study of what seem to be the highest priority needs, and these are the ones that we are bringing to you. And we have been very fortunate that every since our coalition started, we have been able to implement most of our recommendation either through your generosity through regulatory reform or through changes in legislation.

Now, in 1990 we have again come up with just the priority items, the areas that we feel are most essential to getting quality affordable community health-based care across rural America, and this year we are focusing on health manpower shortages in rural America, and let me call to your attention, Mr. Chairman, the fact that this is not just some small coalition that could be ignored.

We represent a fourth of the population of America, a fourth of the population of our whole country, and we are in total representing a group of people that are less—they are poorer. They are engaged in some of the most hazardous occupations. They are sicker, they are less likely to be insured.

Moreover, we represent the people who produce the food for America, that supply is with the most abundant, the cheapest, the safest food supply in all the world. Now, you know, Mr. Chairman, I am a member of this Appropriations Committee, and I know that we are always having to work to find an acceptable balance between the unlimited needs and the very limited amount of money, and you so patiently and diligently listen every day to the many, many needs.

And let me say that we who are here today have a big wish list, but we are also very realistic people. And so we have come with a very short list which I believe is an area that is modest and that is doable.

The information here today will discuss it in more detail, but I just want to emphasize my strong support for the Rural Health Care Transition Grant Program and the yet unfunded essential access community hospital program for the National Health Service Corps, for training and recruiting nurses and other allied health personnel, for rural health care research and for some help in getting rural health care centers in our States.

You know, Mr. Chairman, all of those 140 Members of that coalition would have been delighted to appear here today, but we know you don't have time to listen, and so I brought with me letters from the rest of the members of the commission, and we appreciate your sensitivity to our concerns.

You have always been very helpful as you have drafted the appropriations bill and now I am delighted to turn the rest of the time over to my good friend and colleague, Mr. Byron Dorgan from North Dakota, Mr. Dorgan.

Mr. NATCHER. Thank you very much, Mrs. Smith.

Mr. Dorgan, it is a pleasure to have you and these other gentlemen. We will be glad to hear from you.

Mr. DORGAN. Mr. Chairman, thank you very much.

As is usually the case, Mrs. Smith says it better than most of us will or can, and she has been very effective leader in fighting for these policies in rural health care. I would like to introduce my colleagues and make a very, very brief statement and then beg the Chair's forgiveness.

I have some ways and means business going on, so we have brought to you a message today, a coordinated message among those of us who come from rural America and who have fought for better health care policies and funding for programs in rural health care that I think is reasonable and achievable.

I might say that in amplifying on what Mrs. Smith just indicated, we have been remarkably successful not just in asking for a lot of money, but in trying to think through what can we do to actually help rural America structure and rethink how it delivers better health care to its citizens.

We have come up with some very innovative programs, recognizing that there will be some areas that will probably lose some rural hospitals. If that is the case, let's get in front of that and try and determine a networking system by which even if some hospitals may not be able to stay open as full acute care hospitals, we can create a facility for them that is less than a hospital, but more than a clinic.

We have provided a dual program. The Essential Access Care Hospital Program, which I sort of describe it as putting a ring dike around some hospital, saying these we are going to save no matter what because they are important to the rural folks in the country because of location.

We have also developed something called rural primary care hospitals, and they would feed into the network of each hospital, the essential access care hospital so that we are trying to get ahead of this problem and provide funding and programs that will provide for better health care in the future, even in those areas where they risk the loss or the potential loss of the hospital.

In order to accomplish this with the Rural Health Care Transition Grant Program and the Essential Access Program, we are asking for an appropriation of $25,000,000 for each of those programs. They are very important. They are very innovative. They are moving us down the road to better health care, even under more difficult circumstances that we face in rural America, so we are very proud of what we have accomplished.

I think it is innovative and you have been very helpful, Mr. Chairman, this subcommittee has been very helpful. If you will continue to do that this year, I think we will be able to step back and say we have done something very good in public policy for rural America in the health care area.

Now, Mr. Chairman, accompanying me today is Congressman Espy, Congressman Stenholm, Congressman Bruce and Congressman Richardson, all of whom have played a very important part in the coalition, and each of whom are going to describe for you a component of what we are working for this year.

With that I beg my leave and I thank you very much, Mr. Chairman and Mrs. Smith for the good work that this subcommittee does.

[The statement of Mr. Dorgan follows:]

# TESTIMONY OF THE HONORABLE BYRON L. DORGAN
# BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION
# ON THE RURAL HEALTH CARE TRANSITION GRANT PROGRAM

April 26, 1990

Mr. Chairman, thank you for allowing my colleagues and me on the House Rural Health Coalition to testify before this Subcommittee. Today the Coalition is presenting a modest agenda of programs that we consider to be of vital importance to maintaining quality health care in rural areas. The programs that the Coalition is seeking funding for represent an efficient and effective investment to ensuring that rural residents have access to adequate health care services. Supporting programs such as the Rural Transition Grant program, the National Health Service Corps, State Offices of Rural Health, the Maternal and Child Health Clock Grant, and education and training programs for allied health professionals is good public policy and money wisely invested.

Mr. Chairman I wish to elaborate on some programs that are quickly becoming a major policy direction for rural hospitals and health centers: The Rural Health Care Transition Grant program, the Essential Access Community Hospital (EACH) program, and Community and Migrant Health Centers. Some of these programs are new, others have been around for a while. But all these programs are of vital importance to the delivery of health care in rural areas.

Declining admissions, changing demographics, and inadequate Medicare reimbursements have left many small rural hospitals ill-equipped to provide efficient, quality health care to rural communities. In light of the changing rural health care environment, we recognize that not every rural hospital can feasibly continue as it has traditional existed. Because of a variety of factors, many rural hospitals have an excess number of empty beds, archaic trauma facilities, and inadequate outpatient services. For some rural communities keeping the doors open to their hospital becomes a struggle that they cannot win. The Members of the Rural Health Coalition believe that these communities should have another option besides closing down their struggling hospitals. That option is: hospital conversion.

Over the past few years, the Congress has taken an increasingly keen interest in providing opportunities for rural hospitals to keep their doors open and continue to provide quality health care services in a changing rural environment. The Omnibus Budget Reconciliation Act of 1987 (OBRA 87) authorized the Rural Transition Grant program at a level of $15 million. Because the Congress realized the increasing need to expand this popular program, the Omnibus Budget Reconciliation Act of 1989 (OBRA 89) significantly improved this program. OBRA 89 increased the authorization level for the program's current purposes to $25 million. The same legislation also created the EACH program with an authorization level of $25 million.

The Coalition urges this Subcommittee to fully fund both of these programs. In fiscal year 1989, $9 million was appropriated for the Transition Grant program. This provided for grant awards for over 180 rural hospitals for the first year of a two-year grant process. The Transition Grant program has been very popular. In the first year of the program, over 700 proposals were received for these grants which are limited to a maximum annual amount of $50,000. Last year the Transition Grant program received nearly $18 million. About half of this amount will fund the second round of the grant awards made the previous year. The remaining $9 million will be used to fund new grants which will begin a three-year cycle. Appropriating $25 million for the Transition Grant program will enable us to better respond to the tremendous interest this program has generated. This will lead to the development of more efficient and effective facilities to deliver health care to rural areas.

The Coalition also urges the Subcommittee to appropriate an additional $25 million for the EACH program. Mr. Chairman, I was one of the principle authors of this novel program which, if funded, will establish rural health care networks in seven states and provide assistance to many rural hospitals to convert their facilities to provide coordinated and efficient health care services within these networks. The Coalition believes that federal policy for rural hospitals is going to continue to move in this direction, although not exclusively in this direction. It is imperative that this new program get off the ground as soon as possible so that the Congress can continue to develop and improve the EACH model and avoid the total loss of health care services in some rural areas. Although the EACH program is not the answer for rural health care delivery, it at least proposes a promising option for some rural communities besides closing hospitals.

With the growing interest in these two programs, and the consequent increasing investment of federal dollars into these programs, there is a corresponding concern that this Subcommittee can help address. That concern is in providing technical assistance for rural communities to develop Transition Grant proposals and EACH grant proposals and helping communities make the most effective use of the awards provided through these grants. Rural hospitals and states that are interested in these programs face uncharted challenges in how to first of all develop a grant proposal for hospital conversions and secondly how to use the award money effectively.

Currently, the Department of Health and Human Services cannot provide the necessary technical assistance that is demanded in these new federal programs for rural hospitals. The Administration recognizes this need and has requested $1 million in technical assistance for rural health in fiscal year 1991. It seems to me that we should be providing much more technical assistance to rural communities. Rural health care is changing so rapidly and with the advent of the Transition Grant program and the new EACH program, we are assuming a great deal of rural communities to effectively utilize these funds. I am not suggesting that these funds are necessarily being misused. What I am suggesting is that it does not seem to make much sense to provide this money -- $50 million if fully appropriated -- and neglect to consider providing adequate assistance to make the best use of that money.

I recommend that the Subcommittee consider providing some funds specifically earmarked for providing technical assistance for rural health care planing and utilization of federal grant monies. The Subcommittee could provide this money through the Office of Rural Health Policy or the designated Rural Health Research Centers.

As a Member of the Committee on Ways and Means, the authorizing Committee in the House for Medicare Part A programs, I am interested in pursuing ways to set aside a portion of the authorized funds for the Transition Grant program and the EACH program for technical assistance. I do not have in mind at this time any magic number or a specific percentage for this set aside, but I think that some funds should be earmarked specifically for technical assistance within the confines of the Transition Grant program and the EACH program so that rural communities will at least have somewhere to turn for help with these new programs.

The Coalition is also interested in funding for the Community and Migrant Health Centers. These centers provide primary and preventive health care services to medically underserved populations in rural and urban areas, particularly those without access to appropriate health care because they lack insurance. These disadvantaged groups include low-income minorities, pregnant women and children.

Appropriations for Community and Migrant Health Centers have seen little growth over the past few years. Since 1986 appropriations for Community Health Centers has risen from $400 million to $427 million last year. Funding for Migrant Health Centers has risen a mere $2 million over the same period, from $45 million to $47 million. Most centers that receive grants through these two programs rely heavily on these federal grants. These centers typically have limited non-federal sources of funding. A lower percentage of the poor in rural areas qualify for Medicaid than in urban areas. While 43 percent of the urban poor qualify for Medicaid, only one out of every four of the rural poor qualify.

The Coalition applauds the Administrations's request to fund Community and Migrant Health Centers at $487 million and urges appropriations for this amount. This would be a $13 million increase over last year's levels. This increase is critically necessary to address the physician and health care personnel shortages in Community and Migrant Health Centers.

In conclusion, I want to thank you once again Mr. Chairman for allowing the Coalition to testify before your Subcommittee today.

Mr. NATCHER. Thank you, Mr. Dorgan. We are glad to have you.

Mr. Espy?

Mr. ESPY. Thank you, Mr. Chairman. It is an honor to be here with you again, and to the gentlelady, Mrs. Smith, we do appreciate your organizing this panel, and I would just like to compliment you on what you have done in getting us together and for your service throughout these many years in furtherance of health care policy.

Mr. Chairman, I do have a statement, but I don't want to burden this subcommittee, so if I could just ask unanimous consent to have the entire statement made a part of the record, I would——

Mr. NATCHER. It will be placed in the record in its entirety.

Mr. ESPY. Thank you, sir.

I am here in solid bond with my fellow colleagues of this Rural Health Care Coalition and to further the interest of about 60,000,000 rural Americans whom we all represent. So we thank you for welcoming us here this morning.

About 2,000 rural communities across the nation, many of our residents, Mr. Chairman, have no doctors that they can call on for help. It is estimated that we need about 4,000 primary care physicians to serve in areas where residents don't even have access to the most basic health care, and when you don't have access to health care, you end up with mortality statistics, Mr. Chairman, that can send chills through your bones.

I represent one of the poorest districts in the nation. Mississippi, of course, the per capita income is number 50. My district among all congressional districts in Mississippi, unfortunately, remains the poorest. Their per capita income in the district that I am proud to represent is about $8,500 a year, and in one of those counties, Humphries County, in the heart of my district, Mr. Chairman, 33 babies out of every 1,000 babies born won't have a chance to blow out the candle on their first birthday cake.

Of the 500 babies that die throughout the world from dehydration and diarrhea, over 56 that die in the nation, about 36 of those babies die in my district. Mr. Chairman, that is something we can solve. We have a means to solve that through a drink called electrolyte, which is very expensive, but it is a problem out of reach and a problem of education and a problem of providing the service.

We know revitalization of the National Health Service Corps will bring doctors to those communities without doctors. We know the essential access community hospital program establishes an accessible community-based health care delivery system. We know the creation of rural health care offices makes delivery of rural health care more of a reality, so we just lack support, the funding level, as already indicated by our colleague, Mr. Dorgan.

Mr. Chairman, we just don't want to say to you that we are asking for federal support only. We would like to bring to your attention that the states are also doing their part. In Mississippi our legislature, which just completes its session, passed a $2,000,000 rural health care program. Our state officials have realized that they can't consider our government's morale when we fail to address our health care needs, so they are doing their part in Mississippi and elsewhere.

Where we just need more help from the Federal Government to make sure, Mr. Chairman, that we allow rural American families the basic access to basic health care. Thank you, sir.

[The statement of Mr. Epsy follows:]

HOUSE SUBCOMMITTEE ON LABOR/HHS/EDUCATION ON
APPROPRIATIONS
APRIL 26, 1990
11:30 A.M.
2358 RAYBURN HOUSE OFFICE BUILDING
SUBMITTED BY U.S. REP. MIKE ESPY

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MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I AM HERE IN A SOLID BOND WITH MY FELLOW COLLEAGUES OF THE HOUSE RURAL HEALTH CARE COALITION AND THE 60 MILLION RURAL AMERICANS WHOM WE REPRESENT. I THANK YOU FOR WELCOMING US TO BE HERE THIS MORNING.

YOU KNOW, YESTERDAY WE HAD A PRETTY FANCY PLANE PARKED OUTSIDE OF THE CAPITOL. A LOT OF US MARVELLED AT ITS CAPABILITIES AND SOME OF US WENT UP AND KICKED ITS TIRES AND ASKED A LOT OF QUESTIONS. THERE IS NO DOUBT THAT IT ATTRACTED A LOT OF ATTENTION.

I ONLY WISHED IF WE WOULD ROPE OFF JUST ONE RURAL ELDERLY RESIDENT IN THE PARKING LOT OF THE CAPITOL -- SHE WOULD ATTRACT JUST AS MUCH ATTENTION AND INTEREST. AND MAYBE EVEN SOME CONCERN.

IN ABOUT 2,000 RURAL COMMUNITIES ACROSS THIS COUNTRY, MANY OF OUR RESIDENTS HAVE NO DOCTORS THEY CAN CALL ON FOR HELP. IT'S ESTIMATED THAT WE NEED ABOUT 4,000 PRIMARY CARE PHYSICIANS TO SERVE IN AREAS WHERE RESIDENTS DO NOT EVEN HAVE ACCESS TO THE MOST BASIC HEALTH CARE.

AND WHEN YOU DON'T HAVE ACCESS TO HEALTH CARE -- YOU END UP WITH THE MORTALITY STATISTICS THAT CAN SEND CHILLS TO YOUR BONES.

I REPRESENT ONE OF THE POOREST DISTRICTS IN THIS NATION. I COULD LIST CHILLING STATISTICS ALL MORNING FOR YOU. BUT JUST LISTEN TO JUST ONE. IN HUMPHREYS COUNTY, MISSISSIPPI, IN THE HEART OF THE DELTA -- 33 OUT OF EVERY 1,000 BABIES BORN DIE BEFORE THEIR FIRST BIRTHDAYS.

OBVIOUSLY -- THERE IS NO DOUBT THAT WE HAVE PROBLEMS -- BUT WE HAVE SOLUTIONS TOO.

WE KNOW THAT REVITALIZATION OF THE NATIONAL HEALTH SERVICE CORPS WILL BRING DOCTORS TO THOSE COMMUNITIES WITHOUT DOCTORS. WE KNOW THAT THE ESSENTIAL ACCESS COMMUNITY HOSPITAL PROGRAM ESTABLISHES AN ACCESSIBLE COMMUNITY-BASED HEALTH CARE DELIVERY SYSTEM. WE KNOW THAT CREATION OF RURAL HEALTH CARE OFFICES MAKES DELIVERY OF RURAL HEALTH MORE OF A REALITY.

MR. CHAIRMAN -- IN MISSISSIPPI, OUT LEGISLATURE JUST RECENTLY PASSED A $2 MILLION RURAL HEALTH CARE PROGRAM. OUR STATE OFFICIALS HAVE REALIZED THAT WE CANNOT CONSIDER OUR GOVERNMENTS MORAL WHEN WE FAIL TO ADDRESS OUR HEALTH CARE NEEDS.

BUT IN MISSISSIPPI AND ELSEWHERE, WE NEED THE HELP OF THE FEDERAL GOVERNMENT TO MAKE SURE THAT WE ALLOW RURAL AMERICAN FAMILIES ACCESS TO BASIC HEALTH CARE.

THANK YOU.

END

Mr. NATCHER. Thank you, Mr. Espy.

You have given us an excellent statement. Mr. Stenholm, we will be glad to hear from you.

Mr. STENHOLM. Thank you, Mr. Chairman, Mrs. Smith.

It is indeed a pleasure for me also to be here this morning, and join with my fellow members of the Rural Health Care Coalition, and particularly I would like to speak in behalf of funding for a concept which is the cornerstone of H.R. 4482, the State Offices of Rural Health Act.

I believe that this matching grant program will produce a significant bang for the buck, as we seek the double-edged solutions which will help to ensure that rural Americans have access to quality health care while also being fiscally responsible.

Mr. Chairman, everyone knows that Texans like to be first in everything. Well, almost everything. One area in which we are not happy about is being first place in the number of community hospital closures. Out of the 65 hospitals which closed in 1989, Texas lead the way with 13. These 1989 figures revealed the continuation of a decade-long trend when 508 hospitals closed across the country with 95 of these closures happening in number one Texas.

Now, I do not contend that every hospital closing is a tragedy, including those that have closed within my own district, which numbers six. Sometimes a hospital shutting its doors makes sense as well as dollars, but when a hospital goes out of business and leaves the population of an entire county or sometimes multiple counties without access to health care, we have a serious, in fact a life or death situation.

Hospital closings are just one indication of a problem caused by many factors. Just as problems of rural health are many-faceted, so must the solutions be varied. It is primarily to help individual communities discover the solutions to their own rural health problems that I have promoted the concept of a matching grant for state offices of rural health.

People who have spent years trying to discover and develop rural health solutions have told me about some of the brick walls which they have encountered in their efforts. They have told me about the wealth of information which never gets shared because there is an inadequate network of communication from state to state or from the state to the Federal Government.

They have told me about wasted leadership potential in communities because there are not resources to develop those leaders. They have told me about the frustration of having to say, no, to communities asking for technical assistance for a grant proposal or physician recruitment efforts because they simply do not have sufficient staff to respond to the request, and they have told me about how little money really would be necessary to make a tremendous difference.

For these reasons, as part of the House Rural Health Care Coalition legislative package this year, we propose H.R. 4482, a matching grant program encouraging states to establish offices of rural health.

The establishment of these state offices of rural health would raise an awareness across the country of the need to address rural health issues, help to integrate state, federal and private sector activities and encourage the development and sharing of innovative solutions for improving access to quality care in rural communities.

And, fourthly, will allow states to provide communities desperately needed information on sources of assistance. While a considerable amount of leeway should be granted so that each state office can respond to local rural health needs, I also believe that several requirements should be made of the offices.

First, they should be required to coordinate and cooperate with other rural health improvement efforts, such as those of the agricultural extension services. Secondly, they should have as a continuing guideline the requirement to examine and make recommendations on improving the cost-effectiveness of quality rural health care delivery.

Furthermore, they should be required to communicate and coordinate their efforts not only with the federal office, but also with other state offices. Additional activities of the state offices could include technical assistance to communities in efforts such as physician recruitment, leadership development, exploration of creative transportation and communication technology with regard to access to health care and development of plans for transition opportunities for community health care systems.

I have no doubt that the creative minds out across the country will be able to come up with a great number of other constructive activities for these state offices. As well as being a free-standing bill, this concept of a matching grant for state offices of rural health has been incorporated into the National Health Services Reauthorization bill, which you will also hear about today.

It is because of its attachment to this reauthorization vehicle that I believe authorization of this new grant is extremely likely, and therefore merits consideration by this appropriations subcommittee.

The first year authorization amount for this proposal would be in the three to $3,075,000 range, depending on whether we are discussing the free-standing bill or the NHSC reauthorization.

In both cases, the total three year-reauthorization figure is $10,000,000, with a decreasing federal involvement over the three years indicating to states that we expect them to take full financial responsibility for the offices in time.

In light of the fact that administering this new program would be an additional responsibility for the Federal Office of Rural Health policy and based on the excellent job which has been performed by that office over the year since its creation, I would also encourage that this office be funded at or above the administration's request.

That is $4,038,000 up from the $3,038,000 appropriation in fiscal year 1990, and that report language specifically set aside this funding for the federal office. I will conclude by commending the members of this subcommittee for their attention to the crucial issues of rural health, particularly you, Mr. Chairman, and would urge your positive disposition of all of the issues being brought this morning by our coalition.

Thank you very much.

Mr. NATCHER. Thank you, Mr. Stenholm, you have given us an excellent statement. We appreciate your appearance.

Mr. Bruce, it is a pleasure to have you. We would be pleased to hear from you.

Mr. BRUCE. Thank you, Mr. Chairman, and Mrs. Smith. I would like to sort of echo what Mr. Espy said about infant mortality and what Mr. Stenholm said about hospital closure and address some of my problems to the health manpower shortage, particularly mid-level operators who are now like health professionals.

I would like to submit my full statement for the record, if I might.

Mr. NATCHER. It will be placed in the record in its entirety.

Mr. BRUCE. The coalition certainly recognizes the problems with the growing shortage of health professionals in rural areas. Our agenda is focused on the need to train and recruit physicians, but it also recognizes the need to train and recruit other health professionals, particularly in the area of mid-level operators.

Those fall into basically four categories, physicians assistants, nurse operators, certified nurse mid-wives, and certified registered nurse anesthetists. The first three provide the primary care and obstetrical care and the fourth delivers the bulk of anesthesia services in rural hospitals.

These four groups historically have been willing to locate in rural and underserved areas, which had great difficulty in attracting physicians. They have also been responsibilities for health care access to minority underserved populations, but because of some recent health care policy decisions, a severe shortage has occurred in this area of mid-level operators.

Also, the area of allied health care, which includes physical therapists, radiology technicians, and several other groups is also suffering from great shortages. The shortage of allied health professionals has had a detrimental effect on the needs of the U.S. health care system and has really placed a strain on the quality of health care.

Evidence supported by studies and reports from the American Medical Association, the American Hospital Association, the National Institute of Aging and many others brings light to the fact that the United States faces a diminishing pool, a lesser number of people who will go into the allied health professions.

The United States health care system is weakened by widespread and dangerous shortage of skilled health care workers. They are needed in hospitals, nursing homes and health care agencies. The proportion of our United States population in the 18 to 23-year-old category has been declining since the beginning of this decade and will continue through the mid 1990's.

This will make it even more difficult to attract people to allied health professions. Mr. Chairman, the coalition recognizes that shortages do exist in both urban and rural areas, but we would like to note that the problems of shortage in a rural area may be much more severe.

Some counties, as mentioned by Mr. Stenholm, have only one facility, and once it closes, because of lack of health personnel, people in that county often travel further to receive less in services. We hope that this committee, as it has in the past, addresses these problems.

The coalition supports education and training of health manpower through the Public Health Service Act, health professions training, and nurse training. In fiscal year 1990, this Congress appropriated $750,000 of the $2,000,000 authorized in 1988, a five-year program for allied health project grants under P.L. 100–607, the Health Professional Authorization Act.

The Health Resources and Service Administration received under that program 123 applications and have recommended 60 of those for funding, but of those only 7 to 10 grants will actually have funding available.

We would support full funding of those grants. The fiscal year 1991 proposed budget requests only $58,000,000 for the entire health appropriation program, including physicians.

Last year for comparison that was almost $213,000,000. The coalition recommends full funding for the Health Professions Program, but requests at the very least funding for health professions, Title VII and nursing training, Title VIII, maintained at current levels plus an adjustment for inflation.

We understand the pressures of this committee, and we especially appreciate the strong support of the Chairman and members of this subcommittee for health-related matters over a long period of time. I thank the Chairman.

[The statement of Mr. Bruce follows:]

STATEMENT OF
THE HONORABLE TERRY L. BRUCE
LABOR/HHS APPROPRIATIONS HEARING
APRIL 26, 1990

I WOULD LIKE TO THANK THE CHAIRMAN AND THE MEMBERS OF THE SUBCOMMITTEE FOR GIVING ME THE OPPORTUNITY TO TESTIFY TODAY ON BEHALF OF THE RURAL HEALTH CARE COALITION.

THE COALITION RECOGNIZES THE PROBLEMS WITH THE GROWING SHORTAGE OF HEALTH PROFESSIONALS IN RURAL AREAS. OUR AGENDA HAS FOCUSED ON THE NEED TO TRAIN AND RECRUIT PHYSICIANS, BUT IT ALSO RECOGNIZES THE NEED TO TRAIN AND RECRUIT OTHER HEALTH PROFESSIONALS, SUCH AS MID-LEVEL PRACTITIONERS.

MID-LEVEL PRACTITIONERS FALL INTO FOUR CATEGORIES: PHYSICIAN ASSISTANTS, NURSE PRACTITIONERS, CERTIFIED NURSE MIDWIVES AND CERTIFIED REGISTERED NURSE ANESTHETISTS. THE FIRST THREE PROVIDE PRIMARY AND OBSTETRICAL CARE, AND THE FOURTH DELIVER THE BULK OF ANESTHESIA SERVICES IN RURAL HOSPITALS.

PHYSICIAN ASSISTANTS ARE LICENSED TO PROVIDE MEDICAL SERVICES UNDER THE SUPERVISION OF A PHYSICIAN IN 49 STATES AND IN THE DISTRICT OF COLUMBIA. EIGHTEEN STATES HAVE GRANTED PHYSICIAN ASSISTANTS THE AUTHORITY TO PRESCRIBE CERTAIN DRUGS. IN 1987, 20,000 PHYSICIAN ASSISTANTS WERE LICENSED TO PRACTICE IN THE UNITED STATES AND TWO-THIRDS WORKED IN PRIMARY CARE.

NURSE PRACTITIONERS HAVE COMPLETED ADVANCED TRAINING THROUGH A CERTIFICATE OR MASTER'S DEGREE. IT IS NOT UNUSUAL FOR A NURSE PRACTITIONER TO INDEPENDENTLY MANAGE A PATIENT WHO HAS NOT SEEN A PHYSICIAN. IN 1977, 22 PERCENT OF NURSE PRACTITIONERS WORKED IN RURAL AREAS. MORE THAN HALF OF A NURSE PRACTITIONER'S PATIENTS HAD ANNUAL INCOMES OF UNDER $10,000 PER YEAR.

CERTIFIED NURSE MIDWIVES ARE LICENSED REGISTERED NURSES WHO RECEIVE ADVANCED TRAINING IN MIDWIFERY. THEY PRACTICE FREQUENTLY IN UNDERSERVED AREAS, INCLUDING THE RURAL SOUTH, INDIAN RESERVATIONS AND INNER CITIES. IN 1977, THE OFFICE OF TECHNOLOGY ASSESSMENT REPORTED THAT TEN PERCENT OF NURSE MIDWIVES PRACTICED IN THE SMALLEST COMMUNITIES WITH LESS THAN 10,000 PEOPLE. IN 1982, O.T.A. REPORTED THAT MORE THAN HALF OF THE MIDWIVES WORKED IN PUBLIC HEALTH AGENCIES.

CERTIFIED REGISTERED NURSE ANESTHETISTS PROVIDE MORE THAN 70 PERCENT OF ALL ANESTHESIOLOGY SERVICES IN RURAL AREAS, WHERE THE SERVICES OF ANESTHESIOLOGISTS ARE OFTEN UNAVAILABLE. AS A RESULT, MANY HOSPITALS HAVE BEEN ABLE TO MAINTAIN BOTH EMERGENCY AND ROUTINE SURGICAL SERVICES.

THESE FOUR GROUPS HISTORICALLY HAVE BEEN WILLING TO LOCATE IN RURAL AND UNDERSERVED AREAS WHICH HAVE DIFFICULTY ATTRACTING PHYSICIANS. THEY HAVE ALSO BEEN RESPONSIBLE FOR HEALTH CARE ACCESS TO MINORITY UNDERSERVED POPULATIONS, BUT BECAUSE OF RECENT HEALTH POLICY

DECISIONS, A SEVERE SHORTAGE HAS OCCURED.

THE HEALTH CARE FIELD IS ALSO EXPERIENCING A NURSING SHORTAGE. IN 1987, THE VACANCY RATE FOR REGISTERED NURSES WAS 11.3 PERCENT; A 300 PERCENT INCREASE FROM 1983. IN 1987, TEN PERCENT OF ALL RURAL HOSPITALS CLOSED THEIR BEDS BECAUSE OF THE NURSING SHORTAGE AND THE UNITED STATES HAS SEEN A DECREASE IN ENROLLMENT FOR UNDERGRADUATE PROGRAMS IN NURSING.

THE ALLIED HEALTH FIELD, WHICH INCLUDES PHYSICAL THERAPISTS, RADIOLOGY TECHNICIANS, AND SEVERAL OTHER GROUPS, IS ANOTHER AREA THAT IS SUFFERING. THE ALLIED HEALTH PROFESSIONAL EVOLVED AS A RESULT OF THE DELEGATION OF WORK THAT ONCE WAS THE RESPONSIBILITY OF OTHER HEALTH CARE PROFESSIONALS. IT ALSO EVOLVED BECAUSE OF THE INCREASE IN HEALTH CARE TECHNOLOGY, SUCH AS HEART/LUNG MACHINES AND THE NEED FOR NEW CATEGORIES OF SKILLED PERSONNEL TO ASSIST IN THE OPERATION OF THAT TECHNOLOGY.

THE SHORTAGE OF ALLIED HEALTH PROFESSIONALS HAS HAD A DETRIMENTAL EFFECT ON THE NEEDS OF THE U.S. HEALTH CARE SYSTEM AND HAS PLACED A STRAIN ON THE QUALITY OF HEALTH CARE. EVIDENCE SUPPORTED BY STUDIES AND REPORTS FROM THE AMERICAN MEDICAL ASSOCIATION, THE AMERICAN HOSPITAL ASSOCIATION, THE NATIONAL INSTITUTE ON AGING AND MANY OTHERS, BRINGS LIGHT TO THE FACT THAT THE UNITED STATES FACES A DIMINISHING POOL OF ALLIED HEALTH PERSONNEL.

EXAMPLES OF SHORTAGES

1. SHORTAGES OF HEALTH CARE PERSONNEL INCLUDE: 16.3 PERCENT FOR PHYSICAL THERAPISTS, 14.7 PERCENT FOR OCCUPATIONAL THERAPISTS, 9.2 PERCENT FOR SPEECH-LANGUAGE THERAPISTS, 9.3 PERCENT FOR MEDICAL TECHNOLOGISTS AND 13.6 PERCENT FOR CYTOTECHNOLOGISTS.

2. IN THE PAST FEW YEARS, SOME HOSPITALS HAVE HAD TO CLOSE EMERGENCY ROOMS AND INTENSIVE CARE BEDS, CANCEL ELECTIVE SURGERY TEMPORARILY AND SEND PATIENTS TO OTHER HOSPITALS BECAUSE OF PERSONNEL SHORTAGES.

3. FORTY-EIGHT PERCENT OF HOSPITALS NATIONWIDE HAVE DIFFICULTY RECRUITING PHYSICAL THERAPISTS, AND TWENTY-FIVE PERCENT OF THEM HAVE PROBLEMS RETAINING THOSE THEY CURRENTLY EMPLOY.

4. THE VETERANS ADMINISTRATION REPORTED A VACANCY RATE OF 26.3 PERCENT FOR PHYSICAL THERAPISTS AND 19.1 PERCENT FOR OCCUPATIONAL THERAPISTS IN THE V.A. SYSTEM.

5. THE DEMAND FOR PHYSICAL THERAPISTS AND RADIOLOGICAL TECHNOLOGISTS IS PROJECTED TO RISE TO 87 PERCENT AND 65 PERCENT RESPECTFULLY BY THE YEAR 2000.

6. THE NUMBER OF GENERAL MEDICAL TECHNOLOGY PROGRAMS DECREASED FROM 639 IN 1987 TO 488 IN 1988, WITH ALMOST 70 PERCENT OF THESE PROGRAMS BASED IN HOSPITALS. FREQUENTLY THE HOSPITAL PROGRAMS ARE THE

ONLY SOURCE OF TRAINED LABORATORY PERSONNEL FOR RURAL AREAS.

THE U.S. HEALTH CARE SYSTEM IS BEING WEAKENED BY WIDESPREAD AND SOMETIMES DANGEROUS SHORTAGES OF SKILLED HEALTH CARE WORKERS WHO ARE NEEDED IN HOSPITALS, NURSING HOMES AND HOME CARE AGENCIES. THE PROPORTION OF THE U.S. POPULATION 18 TO 23 YEARS OLD HAS BEEN DECLINING SINCE THE BEGINNING OF THIS DECADE AND WILL CONTINUE TO DECLINE THROUGH THE MID 1990S. THIS WILL MAKE IT MORE DIFFICULT FOR ALLIED HEALTH PROGRAMS TO ATTRACT QUALIFIED PEOPLE.

MR CHAIRMAN AND DISTINGUISHED COLLEAGUES, THE COALITION RECOGNIZES THAT SHORTAGES EXIST IN BOTH URBAN AND RURAL AREAS. BUT WE WOULD LIKE TO NOTE THAT THE PROBLEMS IN RURAL AREAS MAY BE MORE SEVERE. SOME COUNTIES HAVE ONE FACILITY, AND IF IT CLOSES BECAUSE OF A LACK OF HEALTH PERSONNEL, THOSE PEOPLE IN THE COUNTY MUST OFTEN HAVE TO TRAVEL FARTHER TO RECEIVE SERVICES.

CONGRESS AND THE ADMINISTRATION MUST ADDRESS THESE PROBLEMS. THE COALITION SUPPORTS EDUCATION AND TRAINING OF HEALTH MANPOWER THROUGH THE PUBLIC HEALTH SERVICE ACT, INCLUDING TITLE VII, HEALTH PROFESSIONS TRAINING AND TITLE VIII, NURSE TRAINING.

IN FISCAL YEAR 1990, CONGRESS APPROPRIATED $750,000 OF THE $2 MILLION AUTHORIZED IN 1988 FOR ALLIED HEALTH PROJECT GRANTS UNDER PL 100-607, THE HEALTH PROFESSIONS REAUTHORIZATION ACT. THE HEALTH RESOURCES AND SERVICES ADMINISTRATION RECEIVED 123 APPLICATIONS FOR THIS GRANT PROGRAM AND HAVE RECOMMENDED ALMOST 60 FOR THE 7-10 GRANTS FOR WHICH FUNDING IS AVAILABLE. THE COALITION SUPPORTS FULL FUNDING FOR THESE GRANTS.

THE 1991 PROPOSED BUDGET REQUESTS ONLY $96 MILLION FOR THE ENTIRE HEALTH PROFESSIONS PROGRAM. THE COALITION RECOMMENDS FULL FUNDING FOR THE HEALTH PROFESSIONS PROGRAMS BUT REQUESTS THAT, AT THE VERY LEAST, FUNDING FOR TITLE VII AND TITLE VIII PROGRAMS BE MAINTAINED AT CURRENT LEVELS PLUS A FULL ADJUSTMENT FOR INFLATION.

THANK YOU FOR YOUR TIME.

Mr. Natcher. Mr. Bruce, thank you very much. You have given us an excellent statement. We appreciate your appearance.

Mr. Richardson, we will be pleased to hear from you at this time.

Mr. Richardson. Mr. Chairman, Mrs. Smith, again thank you for backing up the policy with money, and I think that is why we are coming back to you. My segment, Mr. Chairman, deals with the National Health Service Corps. As you know, the Corps was established in 1970 with a mandate to "improve and maintain the health status of medically underserved populations by addressing the geographical misdistribution of health manpower resources."

More importantly, the National Health Service Corps is the Federal Government's primary means of recruiting physicians to rural and inner city health areas, areas which have historically suffered from health manpower shortages.

We are talking about 12,500,000 americans living in areas without primary health care because health care providers find it difficult to run viable practices in these areas.

Those communities that are lucky enough to have a corps provider are losing these providers at a rate of 600 a year without any replacement. To meet the demand for physicians just in designated shortage areas, we would need 4,224 providers.

Unfortunately, rural areas suffer disproportionately from these physician shortages. Only 1,300 rural areas are designated shortage areas and rural areas are more than twice as likely as the nation as a whole to face shortages of primary care physicians.

Today people living in rural areas continue to be in poor health, travel farther for health care, report chronic or serious illnesses more directly, 1.78 chronic conditions per person per year versus 1.55 in urban areas, and are more likely to die from injury and are older than our urban counterparts.

I think that reenforces what Mrs. Smith said. The budget cuts of the eighties nearly destroyed the Corps, and it is no longer able to meet this mandate. Only the strong appropriations support of this subcommittee saved the Corps from termination.

However, the program continues without change. Only 18 scholarships are going to be meted out in 1993. That is clearly inadequate. We might as well start over if that is going to happen, Mr. Chairman.

Mr. Richardson. Speaking given the crisis in rural health care, we have to revitalize and rejuvenate the Corps. For this reason the Rural Health Care Coalition, represented very ably by many Members here, request the 1991 appropriations in the amount of $125,000,000.

This is an amount well within the Budget Committee resolution. $125,000,000 will not only maintain our current field strength. It will also provide funding for 500 new scholarships and 575 new loans for physicians and mid-level practitioners.

Even with $125,000,000 in appropriations, severe health profession shortages are still going to exist in 1991. We think, Mr. Chairman, that $125,000,000 is a realistic level that begins a process of rebuilding and strengthening the Corps so that it can again provide access to health care in underserved areas. If the subcommittee desires, this figure could be reduced to $108,000,000 if a single year funding were chosen for scholarship.

The Coalition is aware the subcommittee usually defers appropriations for programs not yet authorized. I and other members of the Coalition introduced H.R. 4487 to reauthorize the Corps. I want to assure the subcommittee that H.R. 4487 is on a fast track within the Energy and Commerce Committee, of which I am a member. We held our authorizing hearing just this week. We are working closely with the Senate to ensure NSHC passage this year.

It is vital, Mr. Chairman, that you appropriate funds this year. We will authorize the bill. I know that has been a concern of yours in many areas.

In closing, Mr. Chairman, once again our thanks to you. We hope that your commitment to the National Health Service Corps is as strong as your record and attendance as a Member of this body. You did miss a vote the other day?

Mr. NATCHER. I have not missed one in over three weeks.

We appreciate your coming before the committee. You made an excellent statement.

Ms. Smith, we want to thank you and all the members of this panel for appearing. We want to assure you that we will give every consideration to your request. Thank you very much.

Mrs. SMITH. We know you will. We thank you on behalf of the Coalition and on behalf of all of our constituents. Thank you very much.

[The information follows:]

CONGRESSWOMAN VIRGINIA SMITH

on behalf of the
RURAL HEALTH CARE COALITION

before the
SUBCOMMITTEE ON LABOR--HEALTH AND HUMAN SERVICES--EDUCATION
House Committee on Appropriations

April 26, 1990

Chairman Natcher, thank you, thank you for once again giving the Rural Health Care Coalition the opportunity to appear before your subcommittee on behalf of the critical health care needs of rural America.

The panel representing the Rural Health Care Coalition that joins me this morning includes some of the best friends our rural citizens have in Congress. Byron Dorgan, Charlie Stenholm, Terry Bruce, and Bill Richardson are all knowledgeable and effective advocates for rural health care. The Coalition owes much of its success to their hard work.

Our Coalition, formed by a hand full of members early in 1987 in the 100th Congress, now has more than 140 members representing 44 states and the Virgin Islands. I am proud of the strong, dedicated working group we have become. And it is a voting block that has meant significant progress toward bringing equity for rural America to federal health care programs.

Among our membership, we are fortunate to count Mr. Obey and Mr. Weber of this subcommittee. In all, 17 members of the Appropriations Committee have joined the Coalition.

More important than boasting about our membership, we can boast about our accomplishments. Each spring the Rural Health Care Coalition develops and introduces a comprehensive agenda and then works throughout the session to implement it. From our first agenda on, nearly all of our proposals have either been implemented through legislation or regulatory reforms.

Our 1990 agenda continues the Coalition's commitment to ensuring that access to quality, affordable, community-based health care is a reality for rural as well as urban Americans. The panel members today are the lead sponsors of the bills of the Coalition's 1990 agenda, unveiled April 6, which focuses this year on health manpower shortages in rural areas.

I want to stress to you, Chairman Natcher, and all my good friends on the Subcommittee that we are not a remote special interest group Congress can afford to ignore. The rural health care crisis impacts more than one-fourth of the US population. It is a population that is proportionately older, poorer, sicker, less likely to be insured, and is engaged in occupations that are among the most dangerous.

And so importantly, we are talking about a crisis that is impacting those people supplying this nation with the world's most abundant, safest, and most aforable food supply.

Mr. Chairman, let me assure you that the Rural Health Care Coalition is mindful of the budget constraints facing the Subcommittee. I particularly, as a member of the Appropriations Committee, understand all too well the challenge of trying to find an acceptable balance between virtually unlimited needs and very limited resources.

The Coalition is no different from the many groups who come before you during the weeks and weeks of hearings you so patiently and diligently attend to. We do have a big wish list, but we are also realistic.

Therefore, as we also did last year, we have decided to present a very short list of funding priorities for fiscal year 1991. These priorities were selected because the Coalition believes they will do the most to address health care needs in rural areas with the limited funds available. And I believe these funding requests are modest and doable.

Because I fully agree with the priorities the Coalition has selected and support the funding requests, I want to touch on them briefly in my statement, My colleagues with me today then will discuss them in more detail.

The Coalition is requesting that both the Rural Health Care Transition Grant Program and the yet unfunded Essential Access Community Hospital (EACH) Program both be funded at their full authorization levels, both $25 million.

The Coalition believes that to strengthen and fully revitalize the National Health Service Corps an appropriation of $125 million is needed in fiscal year 1991.

And the Coalition recommends full funding for the health professions programs but requests that, at the very least, funding for Title VII and Title VIII programs be maintained at current levels plus a full adjustment for inflation.

I personally was disappointed that the Administration requested only $58 million for vital education and recruitment programs that were funded at $213 million this year. I can find no logic in eliminating funds for nurse education when the entire nation, rural and urban areas alike, are facing a shortage of nurses and allied health professionals.

Further, the Coalition requests an increase in funding for the Rural Health Research Centers program and the Office of Rural Health Policy. The Coalition also supports funding a grant program for establishing State Offices of Rural Health as proposed in the Coalition's bill HR 4482.

Thank you, Mr. Chairman, for the funds provided for the current fiscal year for research on rural mental health needs and on agricultural safety. We hope the Subcommittee will once again fund these rural research programs at the National Institute of Mental Health and the National Institute for Occupational Safety and Health.

Finally, and briefly, the Coalition supports programs to reduce our near 11% infant mortality rate, an embarrassment for this nation, and urges the Subcommittee to sufficiently fund the Maternal and Child Health Block Grant program. The Coalition also supports an increase in funding for Community and Migrant Health Centers.

If time had allowed, Mr. Chairman, member after member of the Rural Health Care Coalition would have appeared before you in behalf of rural health care needs. But in recognition of how valuable your time is, and in the bipartisan spirit of cooperation that has contributed so much to the Coalition's success, those members allowed this panel to speak for them today.

They did, however, express their concerns in letters to you and the Subcommittee. I have these letters with me, and I ask that they be considered part of th Coalition's testimony and made part of the official record of this hearing.

In past years, this subcommittee has demonstrated its understanding and sensitivity towards rural health problems. The Coalition thanks you, our rural constituents thank you, and we all urge you to again address our concerns as you draft your appropriations bill for fiscal year 1991.

It is my pleasure to now turn our time over to my colleague from North Dakota, Mr. Dorgan, to continue the panel's testimony.

Thank you.

* * *

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Congress of the United States
House of Representatives
Washington, DC 20515

April 26, 1990

The Honorable William H. Natcher
Chairman Appropriations Subcommittee
on Labor/HHS/Education
2358 Rayburn
Washington, DC 20515

Dear Chairman:

Member after member of the Rural Health Care Coalition would have appeared before you in behalf of rural health care needs. But in recognition of how valuable your time is, and in the bipartisan spirit of cooperation that has contributed so much to the Coalition's success, those members allowed a panel to speak for them in testimony before your Subcommittee today, Apirl 26, 1990.

They did, however, express their concerns in letters to you and the Subcommittee. I ask that they be considered part of the Coalition's testimony and made part of the official record of this hearing. Thank you.

With best wishes, I am

Sincerely,

VIRGINIA SMITH
Member of Congress

VS/jf*

TOM TAUKE
2D DISTRICT, IOWA

CONGRESS OF THE UNITED STATES

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TASK FORCE FOR THE RURAL ELDERLY

April 24, 1990

The Honorable William H. Natcher
Chairman
Subcommittee on Labor, Health and
Human Services, and Education
2358 Rayburn Building
Washington, D.C. 20515

Dear Mr. Chairman:

As the co-chairman of the House Rural Health Care Coalition, I had hoped to appear personally before you today to thank you for your leadership in rural health care, to outline what the Coalition perceives are the top priorities for an effective federal role in meeting rural health needs, and to request your support. Unfortunately, conflicting scheduling commitments prevent me from testifying personally, and I hope that you will accept this letter instead.

Congressman Mike Synar and I founded the House Rural Health Care Coalition in 1987 to provide organization and direction to the growing awareness and concern in Congress over serious threats to access to health care in rural America. The bipartisan Coalition has grown to 144 members committed to ensuring that every rural American has access to community-based, basic health care services.

The Coalition recognizes that the strength of the rural health care delivery system cannot be enhanced or maintained by federal efforts alone, but that federal health policies do play a very significant role. The Coalition also recognizes the stringent budget constraints under which the Subcommittee works. As we have in the past, therefore, we are presenting a very short list of funding priorities.

One of the most serious threats to access to health care in rural America is the severe shortage of health professionals in many areas. In the early 1980s, it appeared to many policymakers that the impending surplus of physicians would encourage physicians to establish and maintain practices in rural and urban underserved areas. That has not happened. In Iowa, for example, we currently have a shortage of over 1,700 physicians. We are losing on average 10 physicians a year, and many of those who are leaving the state are in their thirties and forties. We also recognize that because of sparse population, isolation, and

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poverty, some rural areas will never be able to attract or maintain a practice. For these reasons, the Coalition has introduced legislation (H.R. 4487) to revitalize the National Health Service Corps Scholarship program and expand the loan repayment program for primary care physicians. We have included provisions to extend scholarship and loan repayment to mid-level practitioners. An appropriation of $125 million would maintain our current field strength, provide funding for 500 new scholarships and 575 new loans, and put us well on the way to meeting the health care needs of rural and inner-city areas.

Even more severe than the shortage of physicians in many rural areas is the shortage of nurses and allied health professionals. The Coalition supports full funding for the Title VII allied health programs and the Title VIII programs, which were revised and extended in the Health Omnibus Programs Extension of 1988 to include several new initiatives specifically addressing health professions shortages in rural areas.

Many rural communities are grappling with the survival of their hospitals. On the one hand, they realize--as does the Coalition--that the model of the traditional full-service, inpatient facility is simply not workable for every community. On the other hand, they realize that if their hospital simply closes, they will lose vitally important emergency services and have a very difficult time attracting and retaining health care professionals and businesses. They need something more than a clinic and something less than a traditional hospital, but are struggling to find and develop alternative models.

Two programs, the rural hospital transition grant program (enacted under the 1987 OBRA and subsequently funded) and the Essential Access Community Hospital demonstration program (authorized under the 1989 OBRA, but not funded), can provide valuable assistance to individual community hospitals seeking to diversify their services to better meet the needs of their communities and to develop efficient networks of hospitals providing different levels of services. The Coalition believes that fully funding these programs will provide models for rural communities across the nation and will be a sound investment in the development of networks nationwide that ensure access to care.

In partnership with rural hospitals and clinics, community and migrant health centers have played an important role in rural and urban areas in extending community-based health care services to the indigent and underserved. They are vital allies, in particular, in our efforts to reduce infant mortality in rural and inner-city America. The Coalition supports increased funding for the centers to enable the current centers to serve more eligible individuals and to allow for the establishment of more centers.

In its study of infant mortality efforts here in America and abroad, the Coalition found two initiatives with particular promise, since they address the social and behavioral aspects of the problem as well as the medical aspects: a home-visiting/mentor program for pregnant women and new mothers, and the coordination and co-location of social and medical services ("one-stop shopping"). The Coalition added provisions to the 1989 OBRA Maternal and Child Health Block Grant program to fund model home visiting and coordination/co-location programs as special projects of regional and national significance grants. To trigger this authority, the Coalition requests full funding for the Maternal and Child Health Block Grant program.

We are very appreciative of the strong commitment that the Subcommittee has given to rural health care concerns. We look forward to working in partnership with you to ensure that every American, whether residing in rural America or in America's inner-cities, has access to basic, high-quality, affordable health care services.

Thank you for your attention to these requests.

Best wishes.

Sincerely,

Tom

Tom Tauke
Member of Congress

TT:jw

MIKE SYNAR
2D DISTRICT, OKLAHOMA

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April 26, 1990

Honorable William Natcher
Chairman
Appropriations Subcommittee
on Labor/HHS/Education
2358 RHOB
Washington, DC 20515

Dear Bill:

As Co-Chairman of the House Rural Health Care Coalition, I urge the Appropriations Committee to give serious consideration to the funding priorities of the Coalition. Accessibility to basic, primary care services is being jeopardized in rural areas by the combined pressures of manpower shortages, hospital closures, high cost of medical care, and the overall stress on the rural economy. It is crucial the following programs receive maximum funding to improve and bolster our current health care systems.

**National Health Service Corps (H.R. 4487)**

The National Health Service Corps program provides critical support to medically underserved areas across the country. This is a proven program which has been neglected during the 1980s. H.R. 4487 would revitalize the Corp's ability to provide health professionals to areas with chronic shortages of medical personnel.

The Rural Health Care Coalition requests $125 million in fiscal 1991 appropriations. This funding level will maintain current field strength and provide funding for 500 new scholarships and 575 new loans for physicians and midlevel practitioners.

**State Offices of Rural Health**

Many states do not now have a coordinated plan to meet the health care needs of its rural residents. A state office of rural health would enable a state to identify potential changes in rural health delivery systems, keep track of federal funds spent on health care improvements in rural areas, permit better coordination of health care services throughout the state, and raise the visibility of rural health care concerns in the state. The three-year cost of this program is $10 million.

**Rural Health Care Transition Grant and Essential Access Community Hospital Programs**

These programs provide financial assistance to allow rural hospitals and their communities to adapt their facilities to best meet the needs of their changing rural health care environment.

The Coalition is requesting $25 million for each of these programs. They are crucial for the long term improvement of our health care systems and a necessary investment to avoid costly duplication of services among health care communities. The Transition Grant Program and the Essential Access Community Hospital Program will offer a way for communities, hospitals, and states to better coordinate a health care delivery network.

**Title VII, Title VIII, and Allied Health Professions Programs**

In addition to facing shortages of doctors, rural areas have a shortage of nurses, physician assistants, nurse practitioners, medical technologists, physical therapists, occupational therapists, and speech therapists. Without the service of these health professionals, a hospital could lead to a loss of primary health care services for an entire community.

The Coalition would like to see the Public Health Service Title VII and Title VIII health professions programs receive full funding in 1991. The Coalition also supports a $2 million appropriation for the Allied Health Professions Act (H.R. 4484). This legislation will help students with the cost of education and establish programs to recruit individuals into the allied health fields.

Although H.R. 4487 and H.R. 4484 have not yet been authorized, the Coalition expects swift action on these pieces of legislation. For this reason, I ask that you consider funding the entire Rural Health Care Coalition agenda. These programs will address the continuing problems of access to primary health care services in rural areas.

With best wishes,

Sincerely,

Mike

LARRY COMBEST
19TH DISTRICT, TEXAS

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April 26, 1990

The Honorable William H. Natcher
Chairman
Appropriations Subcommittee on Labor/HHS/Education
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to express my support of the Rural Health Care Coalition's request for Fiscal Year 1991 appropriations. My colleagues and I who serve on the Coalition urge your support of these essential programs during consideration of funding by the Subcommittee on Labor, Health and Human Services and Education.

The Rural Health Care Coalition is fully aware of the budgetary constraints that the subcommittee is facing; therefore, we have requested funding for only those initiatives that will have the greatest impact on rural communities.

The problems facing the delivery of health care in rural areas are numerous and complex, and members of the Coalition do not expect the subcommittee to subsidize each rural community. We understand that because of declining hospital admissions, physician recruitment difficulties and deficient federal health policies, many rural communities will be unable to provide residents local health care services. The Coalition simply requests that the subcommittee fully fund those programs that will help rural communities maintain a minimum of services.

The Rural Health Care Transition Grant program has provided grants to nonprofit rural hospitals to help them diversify their services. By providing these rural hospitals with the financial assistance during this difficult transition period, it allows hospitals to enter into more profitable services. The Coalition requests that $25 million be appropriated for funding of this program.

As you know, the Office of Rural Health Policy (ORHP) has been tremendously successful in helping to develop positive responses to rural health care problems. The Coalition believes that while there has been constructive information presented by ORHP, there needs to be a two-way communication between the states and the federal government. This can be accomplished with the funding of H.R. 4482, which would provide for matching grants to allow states to establish a state office of rural health.

The Honorable William H. Natcher
April 26, 1990
Page 2

Finally, one of the most serious problems facing the delivery of health care to rural areas is the shortage of physicians. To combat this difficult problem, we support the revitalization of the National Health Service Corps. This program is the federal government's most effective tool at recruiting doctors into rural communities. The decline in the number of physicians enrolled in the program has corresponded with an increase in the need for physicians. The Coalition is asking that an appropriation of $125 million be approved for this program to help reduce the severe shortage of physicians.

Although I have mentioned only a few of the Coalition's recommendations, I would like to offer my support for the entire Coalition agenda and ask for your favorable consideration.

Sincerely,

Larry

Larry Combest

LC/rdl

JIM COOPER
4TH DISTRICT TENNESSEE

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April 25, 1990

The Honorable William H. Natcher
Chairman
Subcommittee on Labor, Health and
Human Services, and Education
2358 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Mr. Chairman,

I am writing you as a member of the Congressional Rural Health Care Coalition to ask for your consideration of certain funding priorities we have for fiscal year 1991. I am quite aware of the very tight budget constraints that your Subcommittee is working under, and for that reason we have been very selective about our priorities.

National Health Service Corps.

The National Health Service Corps ought to be restrengthened and given a $125 million appropriation for 1991. The Corps is our most effective program for recruiting doctors to the 2000 rural and inner city communities without basic medical services available. However, Reagan budget cuts slashed Corps scholarship awards from more than 6400 in 1980 to less than 50 in 1988.

The funding level we recommend would provide roughly 575 loan repayment awards to send doctors to needy areas plus 500 scholarships for medical students agreeing to serve needy areas. This would meet only a fraction of the needs, but it begins a process which will enable the Corps to meet the current needs by the end of the decade.

We are fully aware that you do not usually provide funding for programs not yet reauthorized. However, the Corps is already near disappearance, the Bush administration has committed itself to a dramatic increase in its funding, and the Corps reauthorization bill (H.R. 4487) is on a fast track.

I might also point out that the Corps could be rebuilt for less money in FY1991 if one change is made. Currently, scholarships, which normally go for a number of years, are funded on a multi-year basis. That is, all the money a scholar will collect must be set aside in the first year. If the Subcommittee authorized the Corps to fund these awards year-by-year, the needed appropriation would be $108m instead of $125m.

Health Professions.

Rural and inner city communities are facing desperate shortages of health professionals. To tackle this problem, we really need full funding of the programs for education and recruitment of health professionals contained in the Public Health Service Act. At minimum, this should include not only serious growth in funding for the Corps, but also current levels of funding plus a full inflation adjustment for Title VII and Title VIII programs for nurse and other health professions training.

Programs for rural hospitals and clinics.

Another set of programs I consider a priority are those providing for rural hospitals and health centers. Specifically, we would request full funding for the Rural Health Care Transition Grant program and for the Essential Access Community Hospital (EACH) Program. These programs are vital for enabling rural hospitals to adapt to a changing health market. The Community and Migrant Health Centers also should see an increase in funding. These are the clinics that make basic medical services available. In fact, most Corps doctors are placed in these very facilities.

Offices of Rural Health.

I would request an increase in appropriations for the Rural Health Research Centers through which the Office of Rural Health Policy is funded. This office has proved to be extremely effective for relatively little money in providing technical assistance, coordination, and information for rural areas with health problems across the country. I would also ask you to consider funding a grant program for establishing State Offices of Rural Health, to be authorized in H.R. 4487.

Other programs.

There are three other programs that the Rural Health Care Coalitions members consider essential priorities: the Maternal and Child Health Block Grant, agricultural safety programs, and rural mental health research. I would recommend that all of these programs receive full funding.

In conclusion, I would like to thank the Subcommittee for the attention it has given in recent years to the continuing rural health crisis. I hope it will again demonstrate its understanding of rural concerns by considering the priorities I have outlined.

Sincerely,

Jim

JIM COOPER
Member of Congress

JC/ag

LARRY E. CRAIG
1ST DISTRICT, IDAHO

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April 24, 1990

The Honorable William H. Natcher
Chairman
Appropriations Subcommittee on
Labor, Health and Human Services and Education
2358 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Natcher:

On behalf of my constituency, I am writing to request your careful consideration of the funding proposals being presented by the Rural Health Care Coalition.

Rural health care is in the midst of a crisis. The various programs that the Coalition has listed as funding priorities for fiscal year 1991 will address some of the most pressing health care needs in rural areas like my own state of Idaho.

I understand the budget constraints the subcommittee is facing. However, the needs of rural health care are critical, and I would appreciate your careful consideration of the Coalition's testimony when determining the appropriations for fiscal year 1991.

Thank you for your time and consideration on this important issue.

Sincerely,

LARRY E. CRAIG
Member of Congress

LEC/ec

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April 25, 1990

The Honorable William H. Natcher, Chairman
Appropriations Subcommittee on Labor,
HHS, and Education
2358 Rayburn
Washington, D. C. 20515

Dear Mr. Chairman:

With my colleagues on the House Rural Health Coalition, I am writing to you urging your support for the Coalition's agenda for fiscal year 1991. We have prepared what we believe is a modest list of programs that we consider to be of vital importance to maintaining quality health care in rural areas. The programs the Coalition are seeking funding for represent an efficient and effective investment to ensuring that rural residents have access to adequate health care services.

As you know, the Rural Health Care Transition Grant program was funded at $18 million last year. The interest in this program has been tremendous and the Congress has responded by expanding the program's authorization level from $15 million to $25 million in the Omnibus Budget Reconciliation Act of 1989 (OBRA 89). The same legislation also created the Essential Access Community Hospital (EACH) program with an authorization level of $25 million. I urge you to provide full funding for both of these important programs.

These two programs will provide options for rural communities that are struggling to keep the doors of their hospitals open. The Transition Grant program and the EACH program provide assistance to rural communities to develop coordinated health care delivery networks and convert ill-equipped rural hospitals into efficient facilities with improved emergency care systems to better meet the needs of a changing rural health care environment.

I also urge you to provide sufficient funding to address the needs of rural communities to attract and maintain physicians, nurses, and other health care professionals. Keeping hospitals open and ensuring the presence of a physician, nurses, and allied health professionals go hand in hand to maintain access to health care in rural areas. The Coalition is requesting a funding level of $125 million for the National Health Service Corps and that full funding, $213 million, for Title VII and Title VIII education and training programs for allied health professionals be appropriated for next year.

Page Two
April 25, 1990

I urge you to provide an increase in funding for the Rural Health Research Centers and the Office of Rural Health Policy as well as provide funding for a grant program that would establish state offices of rural health. The rural health care environment is changing rapidly and these offices and research centers are critically important to help guide rural communities and policy makers in facing the challenges of these changes. The Office of Rural Health Policy has an enormous job -- a job that presents challenges which we are only beginning to appreciate -- and few resources to met these demands. Further, one of the Rural Health Research Centers in my district and I can attest to the fact that these research centers are playing a vital role in developing rural health policy and assisting rural health care providers in meeting the needs of their communities.

Finally, I join the Coalition in requesting that you continue to support the Maternal and Child Health Block Grant, Agriculture safety programs, and Rural Mental Health Research. These programs have supplied important assistance to special rural health care needs and I urge you to continue to support these programs.

Thank you for you past support of rural health care. Your continued support will be greatly appreciated.

Sincerely,

Byron L. Dorgan
Member of Congress

BLD:glr

MIKE ESPY
2ND DISTRICT, MISSISSIPPI
Majority Whip at Large
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Wardell C. Townsend, Jr
Administrative Assistant

April 24, 1990

Honorable William H. Natcher
Subcommittee on Labor/HHS/Ed
2358 Rayburn HOB
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Dear Mr. Chairman:

I would like to ask that you give full support to funding health care programs, which are vital to the 60 million Americans who live in rural America. In rural communities across this country, our hospitals are closing, many of our infants die before their first birthdays, our towns struggle to attract physicians, and our elderly and children can't get even the most basic treatment.

Here is just two of the statistics that beg for solutions to the rural health care crisis: About 2,000 communities throughout rural America have no doctors. There is a need of at least 4,000 primary care physicians to serve in areas where residents do not have access to primary care.

As a member of the Rural Health Care Coalition, I have offered my full support of an eight-bill package, which is designed to make health care accessible to rural Americans. I am also in full support of the funding requests that the coalition will make before your subcommittee.

Among the needs of rural communities are:
--$25 million for the Rural Health Care Transition Grant Program.
--$25 million for the Essential Access Community Hospital Program.
--$4.38 million for the Rural Health Research Center Program.
--$10 million over a three-year period to support the State Offices of Rural Health Program.
--$125 million for the National Health Service Corps.
--At least $213 million for health professions and nurse training programs.

Please offer your suport for these and other rural health care funding needs. If you have questions or ever need my assistance please contact me.

Sincerely,

Mike

MIKE ESPY
Member of Congress

TIM JOHNSON
SOUTH DAKOTA

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April 25, 1990

The Honorable William H. Natcher
Chairman
Appropriations Subcommittee
on Labor/HHS/Education
2358 Rayburn

Dear Chairman Natcher:

I am writing to express my strong support for the House Rural Health Care Coalition funding priorities for fiscal year 1991. The Coalition understands the budget constraints facing the Subcommittee, and has decided on a list of priorities that will best address the many problems facing rural health care with the limited funds available.

I would first like to thank the Subcommittee for the attention given to rural health care concerns in the past and request that the Subcommittee continue to show understanding towards the crisis facing health care in rural America by adequately funding the Coalition requests.

I have heard from many hospitals and communities in South Dakota, and the problem of losing the only physician or the hospital closing their doors can literally be a situation of life or death. But many of these small rural hospitals in South Dakota have benefitted from the Rural Health Care Transition Grant Program, and I completely support the Coalition request to fully fund this important program. The new Essential Access Community Hospital Program (EACH) also provides an opportunity for these health care facilities to examine their roles in health care delivery and to make the necessary changes to best meet the needs of their communities, while having the opportunity to work with a coordinated health care delivery network.

To address the problem of recruiting physicians and other medical professionals the Coalition supports the National Health Service Corps (NHSC) Revitalization Act of 1990. The NHSC provides scholarships and loan repayments for those health care professionals who serve in areas that are underserved. While the number of areas that are medically underserved has increased since 1981, the amount of physicians supplied by the NHSC has declined. It is critically important to rural America that the NHSC is adequately funded. With many vacancies for primary care physicians and allied health professionals, the Coalition also supports full funding of the Allied Health Education and Training initiatives authorized under Title VII.

Again, I would like to thank the Subcommittee for the sensitivity shown towards the severe problems facing health care in rural America and hope that sufficient funding can be made available for the requests presented by the House Rural Health Care Coalition for FY '91.

Sincerely,

Tim Johnson

TPJ:daf

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RON MARLENEE
MONTANA

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**House of Representatives**
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April 25, 1990

The Honorable William H. Natcher
Chairman
Appropriations Committee
  Subcommittee on Labor, Health & Human
  Services, and Education
U. S. House of Representatives
2358 Rayburn H. O. B.
Washington, DC  20515

Dear Chairman Natcher:

I would like you to consider the unique needs of rural health care as we begin the appropriations process. Rural physicians have a higher patient load than urban physicians, and they spend more to run their practices. Rural residents must travel further for care and are generally uninsured. They are also less likely than urban residents take advantage of government incentives.

The popular photograph of an elderly farmer or rancher surrounded by generations of his family is a thing of the past. The rural population is aging and suffering economic decline. Our young do not stay on the farm to run the "family business," but instead they move to the city.

With this portrait in mind, I respectfully request that you appropriate $125 million for the revitalization of the National Health Service Corps. I also request an increased appropriation for Community & Migrant Health Cen~~ters and~~ full funding for both the Rural Health Care Transition Grant Program and the Essential Access Community Hospital (EACH) Program.

The National Health Service Corps offers scholarships to medical students in exchange for a commitment to practice in underserved areas. Just four years ago, 3,000 Corps doctors served five million patients per year. Two years later, budget cuts reduced the number of doctors in this program to less than 50. Today, 34 million people in nearly 2,000 communities face chronic shortages of doctors and other health professionals. President Bush recognized the urgency of this issue and has requested a $56 million increase over last year's appropriation of just $8.9 million. I strongly endorse the President's level of funding.

COUNTIES
BIG HORN BLAINE CARBON CARTER CASCADE CHOUTEAU CUSTER DANIELS DAWSON FALLON FERGUS GARFIELD GOLDEN VALLEY HILL JUDITH BASIN
LIBERTY MCCONE MEAGHER MUSSELSHELL PETROLEUM PHILLIPS PONDERA POWDER RIVER PRAIRIE RICHLAND ROOSEVELT ROSEBUD
SHERIDAN STILLWATER SWEET GRASS TETON TOOLE TREASURE VALLEY WHEATLAND WIBAUX YELLOWSTONE

Community and Migrant Health Centers have provided health care services to the neediest areas of our nation in both rural and urban areas. These facilities provide innumerable services ranging from testing and treatment to vaccination and education. The 1990 appropriation was $475 million. President Bush, however, recognizes the vital significance of this program, and has requested an increase for fiscal year 1991 to $487 million. I request that you give serious consideration to even further increases.

The Rural Health Care Transition Grant Program was first authorized by the Omnibus Budget Reconciliation Act of 1987 (OBRA 87). In its first year, FY 89, the Transition Grant Program was authorized at $15 million and just short of $9 million was appropriated. The program is authorized at $25 million for FY 90, but only $17.76 million was appropriated. The purpose of the program is to provide financial assistance to small rural hospitals to adapt their facilities to the changing rural health care environment. I am requesting that it be funded at its full $25 million authorized level.

Finally, the Essential Access Community Hospital Program is a new demonstration grant program authorized by OBRA 89 to further encourage rural hospital restructuring and conversion in order to retain community-based health care in rural areas. Although authorized for FY 90, no funding was appropriated to implement the program, and I request that this program be funded at its full $25 million authorization in FY 91.

These programs are vitally important to the rural health care delivery system. I am not suggesting that rural health care be given special priority regarding funding and policy, but instead I ask that these unique needs of rural health care, which have already been authorized, be fully funded.

Sincerely,

Ron Marlenee

Ron Marlenee, M.C.

SID MORRISON
4TH DISTRICT, WASHINGTON

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April 25, 1990

The Honorable William Natcher
Chairman
Subcommittee on Labor, H.H.S.,
Education and Related Agencies
2358 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Chairman Natcher:

As a member of the Rural Health Care Coalition, I would appreciate your consideration of our funding priorities for the upcoming year.

The Coalition requests full funding for the Rural Health Care Transition Grant Program and the Essential Access Community Hospital (EACH) program. We also support an increase in funding for Community and Migrant Health Centers, the Rural Health Research Centers Program and Office of Rural Health Policy. The Coalition further backs funding for a grant program to encourage the establishment of State Offices of Rural Health.

As you know, the National Health Service Corps (NHSC) plays an important role in meeting the shortage of health care personnel in rural areas. The NHSC doctors who have served my constituents for years have been a live-saving asset. The Coalition believes that to strengthen and fully revitalize the National Health Service Corps an appropriation of $125 million is needed in FY 1991.

The Coalition further recommends full funding for the health professions program but hopes that, at the very least, funding for Title VII and Title VIII be maintained at current levels plus a full adjustment for inflation.

The United States ranks distressingly high in infant mortality in comparison with other developed nations. This tragic fact underscores the need for prenatal care and related services. The Coalition requests that the Subcommittee again demonstrate its understanding and sensitivity to this reality by sufficiently funding the Maternal and Child Care Block Grant program.

Finally, we would like to see other aspects of the rural health care crisis addressed through funding for agricultural safety and

Rural Mental Health Research programs.

I am mindful of the difficult budget constraints facing the Subcommittee and am grateful for your consideration of these priorities.

With warm regards,

Sincerely,

Sid Morrison

SM:md

J.J. PICKLE
10TH DISTRICT, TEXAS

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Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEES:
WAYS AND MEANS
JOINT COMMITTEE ON TAXATION

WAYS AND MEANS SUBCOMMITTEES:
CHAIRMAN, OVERSIGHT
HEALTH

April 24, 1990

Honorable William Natcher
Chairman, Subcommittee on
Labor-HHS-Education
2358 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Bill:

I am writing to thank you and your Subcommittee for your past support of the funding priorities of the House Rural Health Care Coalition, and to once again ask for your help in providing critical appropriations for rural health care initiatives in the Fiscal Year 1991 budget.

I would like to voice my strong support for full funding of the Rural Health Care Transition Grant Program and the Essential Access Community Hospital (EACH) Program. Medicare prospective payment and changing demographics continue to contribute to the closing of dozens of rural hospitals each year, many in my State of Texas, and it is clear that not every community can sustain a traditional hospital. In order to assure essential health care services continue to be available, we must offer rural communities the incentive to develop facilities that are appropriate to local needs. Both the Transition Grant program and the new EACH program are intended to provide that assistance, and I strongly urge the Subcommittee to provide the full funding that these programs need to succeed.

I also urge the Subcommittee, if at all possible, to increase the level of funding provided for Community and Migrant Health Centers, which provide services to many of our most under-served areas and vunerable populations, and to provide $125 million to strengthen and fully revitalize the National Health Service Corps. Full funding for the Health Service Corps will provide 500 new scholarships and 575 new loans for physicians and midlevel practitioners to address current manpower shortages.

Finally, I would urge the Subcommittee to provide funding for Congressman Charles Stenholm's legislation to provide matching grants to encourage states with rural populations to establish a state office of rural health. This three-year, $10 million program will provide a badly-needed incentive for states to establish offices to coordinate state rural health efforts, provide technical assistance to local communities, create information clearinghouses, and provide a liaison with the Federal Office of Rural Health Policy.

THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

As a member of the Ways and Means Committee and its Subcommittee on Health, I am acutely aware of the constraints within which your Subcommittee must deal with these issues. I know you share my concerns about rural health and that you will do the best you can to fully fund these important initiatives. I appreciate your consideration of my views.

Sincerely,

JJPickle

J. J. PICKLE

JJP:gdm

GLENN POSHARD
22d District, Illinois

1338 Longworth House Office Building
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EDUCATION AND LABOR

COMMITTEE ON
SMALL BUSINESS

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April 23, 1990

The Honorable William H. Natcher
Chairman
Subcommittee on Labor/HHS/Education
2358 Rayburn Building
Washington, D.C. 20515

Dear Mr. Chairman:

As a member of the Rural Health Care Coalition, representing the 21 southernmost counties of Illinois, I want to take this opportunity to respectfully urge your support of the Coalition's agenda of priority rural community needs for fiscal 1991.

First, let me express my deep gratitude to you and the Committee for the clearly positive response to last year's Coalition requests. Still, despite budgetary contraints, adequate funding of many programs is critical if the rural health system and non-urban communities across the nation are to remain viable and to receive the services and care that are already available in most instances to their urban neighbors.

This year, the Coalition requests full funding for the Rural Health Care Transition Grant Program and for the Essential Access Community Hospital Program, which was authorized last year. A number of health and development centers in my District have already requested assistance under the EACH and RPCH programs and, therefore, I am looking forward to initial funding of these programs in particular.

The Coalition is also requesting an increase in funding for Community and Migrant Health Centers, the Rural Health Research Centers program, and a grant program for establishing State Offices of Rural Health. In addition, the Coalition is strongly supporting a full revitalization of the indispensable National Health Service Corps. Finally, we are requesting that Titles VII and VIII programs be maintained at current levels with adjustment for inflation.

Again, with appreciation for your attention to the rural health initiatives mentioned above when deliberating fiscal 1991 appropriation allocations, and with every good wish, I am

Sincerely,

Glenn Poshard

Glenn Poshard
Member of Congress

PAT ROBERTS
1ST DISTRICT, KANSAS

AGRICULTURE COMMITTEE

HOUSE ADMINISTRATION
COMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515

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LEROY TOWNS
ADMINISTRATIVE ASSISTANT

MERRY M. TOBIN
EXECUTIVE ASSISTANT

April 26, 1990

The Honorable William H. Natcher
Chairman
Appropriations Subcommittee
on Labor/HHS/Education
2358 Rayburn HOB
Washington, D.C. 20515

Dear Mr. Chairman:

As your subcommittee considers funding for the many health care needs of the American people, I want to join my fellow members of the Rural Health Care Coalition in thanking you and the subcommittee for your attention to rural health care needs. Your assistance in past years has provided vitally needed assistance to the rural health care system and has helped to maintain access to quality health care for rural residents.

Your assistance in providing continuing funding for existing rural health programs and funding for newly authorized initiatives will enable the rural health care system to build upon the achievements of prior years. The first area I would like to discuss involves rural hospitals. I would like to state once again my strong support of the Rural Health Care Transition grant program, which has clearly lived up to its potential as a stimulus for communities to examine their health care needs and to formulate ways to improve their ability to meet those needs in concert with other elements of the health care system. The program received $17.76 million of the $25 million authorized for FY90. I strongly support the Coalition's request for full funding at the $25 million level in FY91. In addition, I also strongly support the Coalition's request for full funding of the EACH/RPCH grant program at $25 million to provide grants to as many as seven states for developing rural health care networks.

The second area of critical concern to rural areas is the shortage of health care professionals. The National Health Service Corps provides an effective means of addressing at least part of this shortage. In recent years, however, the number of medically underserved areas has increased as the number of Corps physicians has declined. The Coalition requests appropriations for FY91 of $125 million, an amount that would maintain the Corps current field strength and provide funding for 500 new scholarships and 575 new loans. While I am aware of the Subcommittee's policy to defer appropriations for programs that have not yet been authorized, I would point out that action on the authorizing legislation, of which I am a cosponsor, is being coordinated carefully with the Senate to ensure passage of NHSC legislation this year.

The Honorable William N. Natcher
April 26, 1990
page two

Finally, I would like to express my support of the Coalition's request that funding for health professions programs be fully funded or, at least, that funding for Title VII and Title VIII programs be maintained at the current levels plus a full inflation adjustment. The current appropriation levels for the health professions and nurse training programs is $213 million.

In conclusion, Mr. Chairman, I would like to thank you and the Subcommittee for your interest in and support of these and other programs that aid in maintaining the viability of health care delivery in rural areas. The funding requests made by the Coalition will further the interests of rural health and will go a long way toward ensuring that the residents of rural areas have the access to quality health care services that they need and deserve.

With every best wish,

Sincerely,

Pat Roberts

PR/dh

J. ROY ROWLAND
8TH DISTRICT GEORGIA

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VETERANS AFFAIRS

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April 24, 1990

The Honorable William H. Natcher
Chairman
Appropriations Subcommittee on
Labor/HHS/Education
2358 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

I want to express support for the funding priorities of the Rural Health Care Coalition for fiscal year 1991 which will be presented by a panel on April 26. With the limited funds available, these priorities were selected because the Coalition believes they will do the most to address health care needs in rural areas.

The Coalition requests full funding for the Rural Health Care Transition Grant Program and for the Essential Access Community Hospital (EACH) Program. The Coalition supports an increase in funding for Community and Migrent Health Centers, the Rural Health Research Centers program and the Office of Rural Health Policy, as well as funding a grant program for establishing State Offices of Rural Health.

The Coalition believes that to strengthen and fully revitalize the National Health Service Corps an appropriation of $125 million is needed in fiscal year 1991. Full funding for the health professions programs is recommended by the Coalition, and funding for Title VII and Title VIII programs should be maintained at current levels plus a full adjustment for inflation.

The Coalition also requests that you again demonstrate your understanding and sensitivity towards the rural health crisis by sufficiently funding the Maternal and Child Health Block Grant, Agricultural safety programs, and Rural Mental Health Research.

Lastly, Mr. Chairman, I want to join with my colleagues on the Coalition in thanking your Subcommittee for the attention you have given in recent years to rural health care concerns. We look forward to working with you.

Sincerely,

J. ROY ROWLAND

IKE SKELTON
4TH DISTRICT, MISSOURI

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Congreſs of the United States
House of Representatives
Washington, DC 20515

April 26, 1990

The Honorable William H. Natcher, Chairman
Subcommittee on Labor, Health and Human
Services, and Education
2358 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

As a member of the Rural Health Care Coalition and chairman of the Congressional Rural Caucus, I am writing to urge you to fund a number of programs that are vital to rural health care.

The Rural Health Care Transition Grant (RHCTG) and Essential Access Community Hospital (EACH) programs are authorized at $25 million for FY 1991. The RHCTG has been funded below authorization since its creation in 1987, while EACH is a new program established by OBRA 1989. Declining admissions, changing demographics, and inadequate Medicare reimbursement have left many small rural hospitals with severe budget problems, and full funding of these grants is essential for efficient, quality care.

The Administration has requested $4.38 million for Rural Health Research Centers, a portion of which would be set aside for the Office of Rural Health Policy (ORHP). These programs provide sources of information and technical staff for improving access to health care in rural America. An appropriation at or above the Administration's request is necessary to maintain these critical services.

During the past 20 years, the National Health Service Corps has played a vital role in bringing doctors to rural and poor areas. In recent years, however, this service has been weakened by budget cuts, and is in dire need of revitalization. An appropriation of $125 million would serve to strengthen and revitalize this crucial program.

Although our nation is facing serious budget problems, we cannot ignore the health care needs of our citizens. Funding for these programs is essential if we are to provide quality health care to rural Americans.

Very truly yours,

Ike

IKE SKELTON
Member of Congress

**CHARLES W. STENHOLM**
17TH DISTRICT
TEXAS

COMMITTEES
AGRICULTURE

VETERANS AFFAIRS

CHAIRMAN OF
SUBCOMMITTEE ON LIVESTOCK
DAIRY AND POULTRY

**Congress of the United States**
**House of Representatives**
**Washington, DC 20515**

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April 25, 1990

The Honorable William H. Natcher
Chairman, Labor, Health & Human
Services, Education Subcommittee
Appropriations Committee
Room 2358 Rayburn HOB
Washington, D.C. 20515

Dear Mr. Chairman:

Along with other colleagues of the House Rural Health Care Coalition, I am writing to respectfully request the attention of your subcommittee to legislative proposals the Coalition has put forward this year. We appreciate your willingness to hear from Coalition Members during the April 26 hearing, and we encourage your positive disposition of the issues raised.

I would like to first point out that Members of the Coalition are very mindful of the budget problems facing this Country. For this reason, we have made it a practice to keep our requests modest and to engage in prioritizing our requests.

The specific proposal which I would like to bring to your attention is one of those which promises a significant "bang for the buck." It would help ensure that rural Americans have access to quality health care while also being fiscally responsible.

This proposal would create a matching grant program encouraging states to establish Offices of Rural Health. These offices would be the central "clearinghouse" or information center for rural health issues in a state. The offices would coordinate other rural health improvement efforts in the state, would examine and make recommendations on improving the cost effectiveness of quality rural health care, and would communicate and coordinate with the federal Office of Rural Health Policy.

In addition, these state offices would provide technical assistance to communities in efforts such as physician recruitment, leadership development, exploration of creative transportation and comunication technology with regard to health care, and development of plans for transition opportunities for community health care systems.

The first year authorization amount for this proposal would be in the $3-3.75 million range. The total three-year figure is a mere $10 million, with a decreasing federal involvement over the three years, indicating to states that we expect them to take full responsibility for the financial support of the offices in time.

Again, I appreciate the attention given to this issue by you and your subcommittee and urge your careful review of our requests.

With kindest regards, I remain

Sincerely,

Charlie

Charles W. Stenholm
Member of Congress

CWS:rtt

DEPUTY REPUBLICAN WHIP

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LYNN SACHS STAFF DIRECTOR

**Congress of the United States**
**House of Representatives**
**FRED UPTON**
4TH DISTRICT, MICHIGAN

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WEDNESDAY MORNINGS

April 25, 1990

The Honorable William Natcher, Chairman
Appropriations Subcommittee on
Labor/HHS/Education
2358 Rayburn H.O.B.
Washington, D.C. 20515

Dear Mr. Chairman,

As a member of the House Rural Health Care Coalition, I am writing in support of the Coalition's Fiscal Year 1991 funding recommendations for rural health programs.

Since I was elected to Congress, one of my major goals has been to ensure that quality health care is available in rural areas. I believe this is of great importance to the people in my southwestern Michigan district, which is particularly rural in character. I am pleased that more than 140 Members of House share my commitment to meeting the health care needs of rural America.

I believe that the funding recommendations the Coalition has prepared for FY 1991 are appropriate and worthy of the Committee's support. I am aware of the tremendous budget constraints facing the Committee, but hope the members are mindful that the Coalition has selected these priorities because they will do the most to address critical rural health care needs with the limited funds available. Federal programs such as those supporting community and migrant health centers, rural health research, and practitioners of rural health services are vital to providing quality health care to rural residents.

Of particular importance to rural hospitals in Michigan are the Transition Grant Program and the recently authorized Essential Access Community Hospital (EACH) program. Both of these programs recognize that small rural hospitals face declining admissions, changing demographics, and inadequate Medicare reimbursements. These programs are designed to encourage financially distressed rural hospitals to adapt to the changing health care environment, and provide them with an alternative to closing. Due to the intense competition and need for the Transition Grants, rural hospitals in my district have not yet been able to take advantage of this program.

Similarly, Michigan hospitals would like to participate in the EACH pilot program that would allow up to seven states to develop health care networks incorporating the essential access and primary care hospital concepts. The Michigan Hospital Association has already alerted the Michigan Congressional delegation that Michigan will apply for pilot state status as soon as funds are appropriated for this program. I am particularly concerned that if adequate funding is not initiated for the EACH program in FY 1991, certain Michigan hospitals may no longer be in a position to benefit from this program. I am sure that the same statement is true for many states facing rural health care crises.

In light of the identified need for these kinds of programs, I urge you to give serious consideration to the Coalition's recommendations. Thank you for your anticipated support for maintaining and enhancing access to quality health care for rural Americans.

Sincerely yours,

Fred Upton
Member of Congress

FSU:pp

Thank you!

WES WATKINS
3D DISTRICT, OKLAHOMA
(202) 225-4565

EXECUTIVE COMMITTEE
CONGRESSIONAL RURAL
CAUCUS

HOUSE LEADERSHIP
EXECUTIVE COMMITTEE

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

COMMITTEE ON
APPROPRIATIONS

SUBCOMMITTEES
ENERGY AND WATER
DEVELOPMENT

AGRICULTURE AND RURAL
DEVELOPMENT

April 26, 1990

The Honorable William H. Natcher
House Appropriations Committee
Subcommittee on Labor, Health and
Human Services-Education
2358 Rayburn
Washington, D.C. 20515

Dear Mr. Chairman:

I join my colleagues here today as a member of the Rural Health Care Coalition to express my support for initiatives which are vitally necessary to insure available, quality health care in states like Oklahoma.

Being mindful of the budget constraints facing our nation today, the Coalition has once again prioritized its funding requests which we believe will do the most to address health care needs in non-metropolitan areas with the limited funds available. I fully support the Coalition's funding requests to the Subcommittee.

We need to fund the Rural Health Care Transition Grant Program to the maximum level possible in the next fiscal year. Utilizing this program, hospitals can examine their roles in their communities and streamline their efforts into how best those needs can be met. Funding at or near its authorized level of $25 million would assist hospitals in meeting the changing needs of their environment. Along these same lines, I would urge the Subcommittee to fund the Essential Access Community Hospital Program in FY91. To capitalize on the success of the Rural Health Care Transition Grant Program, we need to fund this program in FY91 to maximize the effect of helping hospitals recognize the needs of their communities.

Additionally, an increase in funding for the Rural Health Research Centers program as well as the Office of Rural Health Policy would insure sources of support for non-metropolitan areas. Additionally, I would urge that, if possible, the Subcommittee recognize the importance of the Office of Rural Health Policy by insuring that it receives its appropriate share of funding.

With regards to manpower in non-metropolitan areas, we need to strengthen and fully revitalize the National Health Service Corps at or near the level of $125 million. One of the dangers to quality health care in non-metropolitan areas is the availability of health care providers. These areas have extreme difficulty in meeting the benefits promised by metropolitan areas in attracting and keeping qualified personnel. Initiatives are needed to respond to this dilemma in these areas.

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Going hand-in-hand with this issue, I would urge my colleagues to fully fund the health professions programs to take steps to reduce the growing shortage of health professionals in non-metropolitan areas. At the very least, maintaining funding for Title VII and Title VIII programs at current levels plus inflation is dire to this cause. Without quality personnel, we lose the fight to insure quality health care in non-metropolitan areas.

Again, while the optimum goal is to fully fund each program to its authorized level, it is realized that budgetary constraints may impede our efforts. Yet, I would urge my colleagues to fund each program to the maximum level possible in the next fiscal year.

I appreciate having this opportunity to share my support of the Coalition's goals for improving health care in the next fiscal year. Strides have been made in our goal of insuring every American -- regardless of where he or she lives -- with access to quality health care, but much more needs to be done. I urge my colleagues on the Subcommittee to join us in our effort.

Sincerely,

Wes

WES WATKINS
Member of Congress

THURSDAY, APRIL 26, 1990.

## NATIONAL BONE MARROW DONOR PROGRAM

### WITNESS

### HON. CONSTANCE MORELLA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. NATCHER. Mrs. Morella, come around and have a seat. We are delighted to have you before the committee at this time. We will be pleased to hear from you.

Mrs. MORELLA. Thank you very much. I want to commend you, Mr. Chairman, because I know from early this morning you have these hearings going on, and you have listened very attentively, and they are going to continue this afternoon. I commend you for your commitment.

It is a pleasure for me to be here to participate in this appropriations hearing. I want to thank you. I want to cover three issues very briefly.

First of all, the National Marrow Donor Program, biomedical research, and impact aid.

An issue in which I have a very strong interest is the National Marrow Donor Program. Over the past few months, the family of the late Joanne Johnson has become well known to many people in the Washington area. And for a tragic reason—Joanne died while waging one of the most successful campaigns ever to register potential bone marrow donors for the National Marrow Donor Program.

Imagine how difficult it must be to be told that there is a potential cure for your daughter's illness, only to find that this cure depends on the luck of matching the tissue type of one of several thousand "typed" volunteers—and to find that the odds continue to be stacked against her because tissue types are more likely to be matched between individuals of the same race and ethnic background, but there just aren't that many African-Americans in this group of volunteers. Quite a bleak picture, isn't it?

Joanne's family's continued personal involvement, even after her death, and that of Allison Atlas and her family, as well as other families throughout the United States, should be commended. But it shouldn't be necessary. We made the correct start by reallocating $6,000,000 in Defense Department funding to expand the program to test potential donors of bone marrow for transplants. I just donated some blood for the tissue registry, and other legislators are doing that today also.

Legislation is being proposed to increase funding for the National Marrow Donor Program and to expand minority recruitment. The goal of 250,000 individuals in the donor bank is achievable. It is a gift of God. We have a part to ensure this goal is reached.

The National Marrow Donor Program is an example of programs that have come about as a result of past biomedical research. The success of this effective, yet relatively new program, attests to the need for continued and increased funding in the field of biomedical research. Extramural research proposals submitted to the National Institutes of Health are put through a rigorous series of reviews for scientific merit, methodology, and cost effectiveness.

Those that are approved have met strict standards. Yet funding goes to a meager 20 percent of those approved applications. We have spent $600,000,000,000 on health care in one year, 1989. During that same year, only $8,000,000,000 was spent on medical research. As Members of Congress, we need to keep in mind that continued funding for research in disease treatment and prevention can lead not only to programs such as the National Marrow Donor Program, but also to reduced health care costs.

Finally, Mr. Chairman, I would like to add my voice to those of the many other Members of Congress who are testifying in support of continuing impact aid for "B" students, those students whose families live or work on Federal property.

This aid is essential for the state of Maryland as well as many other states throughout our nation. In Montgomery County, Maryland, alone, there are over 45,000 workers employed at the National Institute of Standards and Technology, the National Institutes of Health, the National Oceanic and Atmospheric Administration, the Nuclear Regulatory Commission, the Naval Research Centers, the Food and Drug Administration, the Public Health Service, the Center for Disease Control, and the Alcohol, Drug Abuse, and Mental Health Administration.

In fiscal year 1989, $7,600,000 was given to Maryland for approximately 7200 "A" students, generally those in military installations, and $3,800,000 for 52,800 "B" students. The administration proposal for fiscal year 1991 would cut funding for "B" students from $123,000,000 to $25,000,000, which would mean a $3,000,000 reduction in aid to one state alone. I urge that funding be maintained for both "A" and "B" categories of impact aid. Montgomery County, Maryland, appreciates and needs this continuing Federal commitment to local school districts which experience loss of revenue caused by a Federal activity.

Mr. Chairman, I appreciate the opportunity to testify on behalf of these three issues of great importance to me today. I hope this committee will act favorably.

You represent your constituencies well. Thank you very much.

Mr. NATCHER. Thank you very much. You have given us an excellent statement, Mrs. Morella. We appreciate your appearance.

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THURSDAY, APRIL 26, 1990.

## REFUGEES

### WITNESS

### HON. GARY A CONDIT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. NATCHER. Our next witness is Mr. Gary Condit, one of our new Members. It is a pleasure to have you. We will be pleased to hear from you.

Mr. CONDIT. Thank you, Mr. Chairman. I appreciate the opportunity to be here today.

I am here today to urge you to consider the great impact that the influx of refugees has had on our communities, particularly in my State of California.

Since 1985, the number of persons entering the United States with refugee status has doubled, yet the cash and medical assistance payments under the Refugee Entrant Assistance Fund have decreased by 15 percent.

In the past, there has been an agreement between the Federal Government and the states that if the Federal Government allows for an influx of refugees they will also provide the funding needed to help these refugees be assimilated into society. But the Federal Government is backing out on this commitment.

When the Refugee Resettlement Act was passed in 1980, the Federal Government provided for funding at a level sufficient to provide for 24 months of basic services, including welfare, English classes, medical services and job training. Since 1980, the number of refugees has risen dramatically, but the Federal monies available have remained the same. As a result, the average length of assistance has been drastically cut. In Merced County, where we have 8500 refugees who are on public assistance, the average length of Federal assistance is now at an all-time low of four months. Without adequate Federal funding, states are forced to support Federal policy without the resources they need to do it.

Studies indicate the best way to wean refugees off of public assistance is to provide an adequate level of services for a period of 24 months. If we can meet this goal, the number of refugees who remain on public assistance on a permanent basis will be reduced. This will also go a long way toward making them productive members of society, rather than making them third or fourth class citizens in a highly industrialized society.

The Refugee Entrant Assistance Fund is funded for fiscal year 1990 at $368,000,000 ($210,000,000 for cash and medical assistance; $75,000,000 for social services; $40,000,000 for voluntary agency programs; and $5,000,000 for preventative health). This actually represents a decrease of $15,000,000 from the 1989. The President's proposed budget would maintain funding at this level.

I am requesting that you carefully consider appropriating $636,000,000 for 24 months reimbursement for these programs. this increase will allow us to hold up our end of the partnership with the states in helping these refugees fit into our society as productive citizens, not economic burdens on the city and county level.

I urge you to support this increase, as well as any other measure which will help us to ensure that refugees become self-supporting, productive members of our society.

Mr. Chairman, if I may, I would like to request to submit this written testimony for the record.

Mr. Natcher. It will be placed in the record in its entirety. We appreciate your appearance.

[The information follows:]

TESTIMONY
OF
CONGRESSMAN GARY A. CONDIT
before the
Subcommittee on Labor, Health and Human Services and Education
April 26th, 1990
11:45 a.m.

Mr. Chairman, Members:

In your deliberations on refugee funding, I would like to urge that you consider the great impact that the influx of refugees has had on our communities, particularly in my state of California.

Since 1985, the number of persons entering the United States with refugee status has doubled, yet the cash and medical assistance payments under the Refugee Entrant Assistance Fund have decreased by 15 percent.

In the past, there has been an agreement between the federal government and the States that if the federal government allows for an influx of refugees they will also provide the funding needed to help these refugees be assimilated into society. But the federal government is backing out on this committment.

When the Refugee Resettlement Act was passed in 1980, the federal government provided for funding at a level sufficient to provide for 24 months of basic services, including welfare, English classes, medical services and job training. Since 1980, the number of refugees has risen dramatically, but the federal monies available have remained the same. As a result, the average length of assistance has been drastically cut . In Merced County, where we have 8,500 refugees who are on public assistance, the average length of federal assistance is now at an all-time low of 4 months.

Without adequate federal funding, States are forced to support federal policy without the resources they need to do it.

Studies indicate the best way to wean refugees off of public assistance is to provide an adequate level of services for a period of 24 months. If we can meet this goal, the number of refugees who remain on public assistance on a permanent basis will be reduced. This will also go a long way toward making them productive members of society, rather than making them third or fourth class citizens in a highly industrialized society.

The Refugee Entrant Assistance Fund is funded for FY 1990 at $368 million ($210 million for cash and medical assistance; $75 million for social services; $40 million for voluntary agency programs; and $5 million for preventative health.) This actually represents a decrease of $15 million from the 1989. The President's proposed budget would maintain funding at this level.

I am requesting that you carefully consider appropriating $636 million for 24 months reimbursement for these programs. This increase will allow us to hold up our end of the partnership with the States in helping these refugees fit into our society as productive citizens, not economic burdens on the city and county level.

I urge you to support this increase, as well as any other measure which will help us to ensure that refugees become self-supporting, productive members of our society.

THURSDAY, APRIL 26, 1990.

## AIDS

### WITNESS

### HON. NANCY PELOSI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. NATCHER. Our next witness is Mrs. Pelosi. Mrs. Pelosi is from California. She is one of the hard-working Members in the House and one of the good Members.

Mrs. Pelosi, when I arrived here a few years back we had Mrs. Sullivan here from Missouri. We had Mrs. Church here from Illinois. We had Mrs. Rogers here from Massachusetts. All lovely ladies. I could name them all. They all worked hard. None any harder than you work, and you take my word from that. You are one of the good Members of the House, and we appreciate you.

We would be glad to listen to you.

Ms. PELOSI. Thank you, Mr. Natcher. Coming from you that is an enormous compliment. The pace you set for us all around here is one that is hard to keep up with.

I appreciate your remarks. I will try to be in return as brief as possible. I have first submitted a fuller statement for the record in the interest of time.

I do want to take a half a minute to thank you for the opportunity to present my views on AIDS-related appropriations for fiscal year 1991, and of course to thank you and the committee, but under your leadership, Mr. Chairman, for all your past support.

I recognize the difficult task that this committee has before it in determining the health-related spending priorities of our nation. It is frankly a matter of life and death. It is to this issue which I wish to speak.

In essence, Mr. Chairman, I would like to talk for a minute about the President's budget. In essence the President is proposing that AIDS spending go from $1,530,000,000 to $1,690,000,000 for activities at the public health service. This is a 7 percent increase. However, when inflation and other factors are considered, the actual increase would be only 2.4 percent. The real need is for $3,800,000,000 or more, and that is not even considered.

Mr. Chairman, I will submit for the record charts demonstrating what the professional judgment requests were by each agency within the Public Health Service and how those needs assessments were ignored in reaching the final figures proposed by OMB. These professional judgments do not come from outside advocates who may not understand the difficulty of balancing priorities. These requests came from the administration's own scientists, physicians, and public health experts.

Are we doing all we can to respond to the public health threat of the century? No. Requests from the agencies total $3,100,000,000, or roughly twice what OMB and the White House have allowed. So, the administration is proposing that we do half of what their own experts say is needed.

On March 29, President Bush made an historic speech on AIDS and stated that the goal of our Federal research efforts should be nothing short of a cure. I agree. But how is this going to happen when Dr. Fauci, who heads the AIDS research efforts at NIH, is scheduled to receive only 59 percent of what he says he needs for basic research to find the cure?

Are we doing all that we can to prevent the further transmission of HIV? Again, the answer is no. Federal and state prevention programs lack an emphasis on individual behavior change—the only way to stop the spread of the virus. Demonstration outreach programs sponsored by the National Institute on Drug Abuse have convincingly demonstrated that an aggressive outreach program can greatly reduce HIV transmission among injection drug users. The results from these 63 pilot programs across the country give us hope.

Yet, as incredible as it may seem, these outreach programs—which are literally holding back a new wave of HIV infection—are scheduled to be phased out with nothing proposed to replace them. Clearly, this committee cannot let this happen.

Are we doing enough to care for people with AIDS and HIV disease? Again, the answer is no. But even worse, the administration has decided as a matter of policy that the PHS should not be involved in patient care—not even in an epidemic.

Entire programs for home health services and AIDS drug reimbursement for low income people were eliminated. Entire programs for AIDS-related counseling and mental health services and for early intervention projects were eliminated. Entire programs for subacute care, oral health care, and health care planning were eliminated. These programs addressed the most pressing needs at this point in the epidemic.

I would like to emphasize that the administration is not proposing to reduce the funding for these programs—they are proposing to eliminate them entirely.

As you know, the Budget Committee has recognized the complete inadequacy of the President's proposed AIDS budget. I am pleased that the budget resolution includes a $700,000,000 increase in budget authority for emerging AIDS priorities. Two of these priorities—disaster relief and early intervention—are of particular urgency.

I urge you to appropriate $300,000,000 for emergency relief grants to metropolitan areas which have been slammed by the AIDS epidemic—causing as much economic devastation as an earthquake or a hurricane. In San Francisco alone, the Mayor's HIV Task Force has identified a gap in HIV prevention and care services of between $137,000,000 and $152,000,000 for the next fiscal year. We need Federal disaster relief.

I also urge you to appropriate an additional $400,000,000 for early intervention programs. The research efforts at NIH—which this committee has so actively supported—have clearly established the benefit of early medical intervention for people who are HIV infected before they get sick.

This means that it is imperative that your committee work with the authorizing committee to assure that a Federal program is funded to assure access to AIDS drugs and early intervention monitoring for low-income people.

During the Reagan Administration, year after year you, Chairman Natcher, and this committee asserted the leadership which was lacking from the White House. I am bitterly disappointed in the Bush Administration's first AIDS budget. This year—again—your leadership is needed to shape a humane national response to AIDS.

Mr. Chairman, I appreciate the opportunity to present my views on AIDS-related appropriations for fiscal year 1991. I commend you and the committee for all that you are doing to respond to this epidemic.

Thank you.

[The information follows:]

# STATEMENT OF
# THE HONORABLE NANCY PELOSI
# ON AIDS-RELATED APPROPRIATIONS FOR FY 1991
# SUBCOMMITTEE ON LABOR, HHS, AND EDUCATION
# COMMITTEE ON APPROPRIATIONS
# APRIL 26, 1990

MR.CHAIRMAN, THANK YOU FOR THE OPPORTUNITY TO PRESENT MY VIEWS ON AIDS-RELATED APPROPRIATIONS FOR FY 1991. I RECOGNIZE THE DIFFICULT TASK THIS COMMITTEE HAS BEFORE IT IN DETERMINING THE HEALTH-RELATED SPENDING PRIORITIES OF OUR NATION -- AND IT IS TO THIS ISSUE I WISH TO SPEAK.

AIDS HAS BEEN IDENTIFIED BY BOTH THE ADMINISTRATION AND CONGRESS AS OUR NATION'S TOP HEALTH PRIORITY. UNFORTUNATELY, THE PRESIDENT'S BUDGET REQUEST DOES NOT REFLECT THIS PRIORITY. IN ESSENCE, AIDS SPENDING WOULD GO FROM $1.53 TO $1.69 BILLION FOR ACTIVITIES AT THE PUBLIC HEALTH SERVICE (PHS). THIS IS A 7% INCREASE -- HOWEVER, WHEN INFLATION AND OTHER FACTORS ARE CONSIDERED, THE ACTUAL INCREASE WOULD BE ONLY 2.4%. THE REAL NEED FOR $3.8 BILLION OR MORE IS NOT EVEN CONSIDERED.

MR. CHAIRMAN, I WILL SUBMIT FOR THE RECORD CHARTS DEMONSTRATING WHAT THE PROFESSIONAL JUDGEMENT REQUESTS WERE BY EACH AGENCY WITHIN THE PUBLIC HEALTH SERVICE (PHS) AND HOW THESE NEEDS ASSESSMENTS WERE IGNORED IN REACHING THE FINAL FIGURES PROPOSED BY OMB. THESE PROFESSIONAL JUDGEMENTS DO NOT COME FROM OUTSIDE ADVOCATES WHO MAY HAVE NO REAL SENSE OF THE BALANCING OF PRIORITIES -- THESE REQUESTS COME FROM THE ADMINISTRATION'S OWN SCIENTISTS, PHYSICIANS AND PUBLIC HEALTH EXPERTS.

ARE WE DOING ALL WE CAN AS A NATION TO RESPOND TO THE PUBLIC HEALTH THREAT OF THE CENTURY? NO -- REQUESTS FROM THE AGENCIES TOTALLED $3.1 BILLION OR ROUGHLY TWICE WHAT OMB AND THE WHITE HOUSE HAVE ALLOWED. SO, THE ADMINISTRATION IS PROPOSING THAT WE DO HALF OF WHAT THEIR OWN EXPERTS SAY IS NEEDED.

ON MARCH 29TH, PRESIDENT BUSH MADE AN HISTORIC SPEECH ON AIDS AND STATED THAT THE GOAL OF OUR FEDERAL RESEARCH EFFORTS SHOULD BE NOTHING SHORT OF A CURE. I AGREE. BUT HOW IS THIS GOING TO HAPPEN WHEN DR. FAUCI, WHO HEADS THE AIDS RESEARCH EFFORTS AT NIH, IS SCHEDULED TO RECEIVE ONLY 59% OF WHAT HE SAYS HE NEEDS FOR BASIC RESEARCH TO FIND THE CURE?

SCIENTISTS TELL ME THAT THERE ARE MANY NEW DRUGS WORTHY OF CLINICAL TRIALS. THE ONLY LIMITATION IS THE FUNDING FOR THIS RESEARCH. THE PRESIDENT'S PROPOSED BUDGET MEANS THAT PLANS TO EXPAND ONGOING CLINICAL TRIALS AND INITIATE NEW TRIALS WILL BE SUSPENDED. INITIATIVES FOR RESEARCH CENTERS, RESEARCH TRAINING, DRUG DEVELOPMENT AND VACCINE DEVELOPMENT WILL BE SUSPENDED. INITIATIVES TO GIVE EMPHASIS TO UNDERREPRESENTED AND MINORITY GROUPS WILL BE SUSPENDED. THIS COMMITTEE MUST SEE THAT ADDITIONAL FUNDS ARE APPROPRIATED TO RESTORE THESE PROGRAMS.

ARE WE DOING ALL THAT WE CAN TO PREVENT THE FURTHER TRANSMISSION OF HIV? -- AGAIN, THE ANSWER IS NO. FEDERAL AND STATE PREVENTION PROGRAMS LACK AN EMPHASIS ON INDIVIDUAL BEHAVIOR CHANGE -- THE ONLY WAY TO STOP THE SPREAD OF THE VIRUS. DEMONSTRATION OUTREACH PROGRAMS SPONSORED BY THE NATIONAL INSTITUTE ON DRUG ABUSE HAVE CONVINCINGLY DEMONSTRATED THAT AN AGGRESSIVE OUTREACH PROGRAM CAN GREATLY REDUCE HIV TRANSMISSION AMONG INJECTION DRUG USERS. THE RESULTS FROM THESE 63 PILOT PROGRAMS ACROSS THE COUNTRY GIVE US HOPE.

YET, AS INCREDIBLE AS IT MAY SEEM, THESE OUTREACH PROGRAMS -- WHICH ARE LITERALLY HOLDING BACK A NEW WAVE OF HIV INFECTION -- ARE SCHEDULED TO BE PHASED OUT WITH NOTHING PROPOSED TO REPLACE THEM. CLEARLY, THIS COMMITTEE CAN NOT LET THIS HAPPEN.

ARE WE DOING ENOUGH TO CARE FOR PEOPLE WITH AIDS AND HIV-DISEASE? -- AGAIN, THE ANSWER IS NO. -- BUT EVEN WORSE, THE ADMINISTRATION HAS DECIDED AS A MATTER OF POLICY THAT THE PHS SHOULD NOT BE INVOLVED IN PATIENT CARE -- NOT EVEN IN AN EPIDEMIC.

THIS DECISION, IN TURN, HAS LED TO A MAJOR SHIFT IN PRIORITY WHICH GOES DIRECTLY AGAINST LOGIC REGARDING WHAT NEEDS TO BE DONE AT THIS POINT IN THE EPIDEMIC. IT ALSO RUNS AGAINST THE DIRECTION STRONGLY RECOMMENDED BY THE NATIONAL COMMISSION ON AIDS AND THE PRESIDENT'S COMMISSION ON THE HIV EPIDEMIC WHICH PRECEDED IT.

WHILE THE BUDGET ASSUMES AN INCREASE OF 30% IN THE NUMBER OF NEW AIDS CASES, DISCRETIONARY SPENDING FOR AIDS-RELATED PATIENT CARE AND SERVICES WOULD BE DECREASED BY 35%. THE HEALTH RESOURCES AND SERVICES ADMINISTRATION (HRSA) REQUESTED $167 MILLION FOR AIDS-RELATED SERVICES; OMB GAVE THEM $33 MILLION OR ONLY 20% OF THEIR REQUEST.

ENTIRE PROGRAMS FOR HOME HEALTH SERVICES AND AIDS DRUG REIMBURSEMENT FOR LOW INCOME PEOPLE WERE ELIMINATED. ENTIRE PROGRAMS FOR AIDS-RELATED COUNSELING AND MENTAL HEALTH SERVICES AND FOR EARLY INTERVENTION PROJECTS WERE ELIMINATED. ENTIRE PROGRAMS FOR SUBACUTE CARE, ORAL HEALTH CARE, AND HEALTH CARE PLANNING WERE ELIMINATED. THESE PROGRAMS ADDRESSED THE MOST PRESSING NEEDS AT THIS POINT IN THE EPIDEMIC. I WOULD LIKE TO EMPHASIZE THAT THE ADMINISTRATION IS NOT PROPOSING TO REDUCE THE FUNDING FOR THESE PROGRAMS -- THEY ARE PROPOSING TO ELIMINATE THEM ENTIRELY.

THIS BUDGET IS GOING IN THE OPPOSITE DIRECTION AS THE NEEDS CREATED BY THE AIDS EPIDEMIC. IT SHRINKS FROM THE NEW CHALLENGES AND RETREATS TO OLD PROGRAMS WHICH DO NOT MEET THE NEW NEEDS. IT DEMONSTRATES A MAJOR LACK OF UNDERSTANDING AND LEADERSHIP.

AS POINTED OUT BY THE NATIONAL COMMISSION ON AIDS AGAIN EARLIER THIS WEEK, WE ARE NOW NINE YEARS INTO THE AIDS EPIDEMIC AND STILL THERE IS NO NATIONAL PLAN.

THE ONLY CLEAR POLICY TO EMERGE FROM THIS BUDGET IS THAT THE FINANCING OF HEALTH CARE IS NOT A FEDERAL RESPONSIBILITY. CLEARLY, CONGRESS MUST ASSERT THAT MANAGING THE COSTS ASSOCIATED WITH THIS EPIDEMIC MUST BE A RESPONSIBILITY SHARED BY ALL LEVELS OF GOVERNMENT -- LOCAL, STATE, AND FEDERAL.

LAST MAY, BUDGET DIRECTOR DARMAN APPEARED BEFORE THE GOVERNMENT OPERATIONS COMMITTEE ON WHICH I SIT. I ASKED HIM A SERIES OF QUESTIONS ABOUT HOW THE AIDS BUDGET WAS TREATED AT OMB, AND I MUST SAY, I WAS VERY DISAPPOINTED WITH HIS ANSWERS. I TOLD HIM DIRECTLY THAT I THOUGHT HE WAS IGNORING THE REALITY OF WHAT THE EPIDEMIC MEANS TO OUR COUNTRY.

SHORTLY AFTER THE HEARING, MR. DARMAN CALLED ME AT MY OFFICE TO ASSURE ME THAT HE DID NOT FEEL THAT HE HAD PROPERLY REPRESENTED THE PRESIDENT'S VIEWS ON THE IMPORTANCE OF THE AIDS EPIDEMIC. HE, IN ESSENCE, ASKED TO BE JUDGED ON THE 1991 BUDGET AND NOT THE BUDGET HE INHERITED FROM THE REAGAN ADMINISTRATION.

THE NEW JUDGEMENT IS NOW IN. THIS IS THE WORST AIDS BUDGET IN AT LEAST FIVE YEARS. IT NOT ONLY SETS AN ARBITRARY SPENDING LIMIT THAT IS UNREALISTIC -- IT WOULD SUSPEND GROWTH IN RESEARCH FOR A CURE. IT WOULD MOVE FUNDING FROM EFFECTIVE PREVENTION PROGRAMS TO ONES WHICH DO NOT WORK. IT WOULD ELIMINATE FEDERAL PROGRAMS FOR AIDS CARE. I MUST TAKE MR. DARMAN AT HIS WORD -- AND JUDGE HIM AND THE PRESIDENT HARSHLY FOR THIS REGRESSIVE PROPOSAL.

THE ABSENCE OF LEADERSHIP FROM THE ADMINISTRATION ON THE AIDS ISSUE -- OR, MORE ACCURATELY, LEADERSHIP IN THE WRONG DIRECTION --MEANS THAT CONGRESS MUST STEP IN. THE BALL IS NOW IN OUR COURT -- CONGRESS MUST DO BETTER.

AS YOU KNOW, THE BUDGET COMMITTEE HAS RECOGNIZED THE COMPLETE INADEQUACY OF THE PRESIDENT'S PROPOSED AIDS BUDGET. I AM PLEASED THAT THE BUDGET RESOLUTION INCLUDES A $700 MILLION INCREASE IN BUDGET AUTHORITY FOR EMERGING AIDS PRIORITIES. TWO OF THESE PRIORITIES -- DISASTER RELIEF AND EARLY INTERVENTION -- ARE OF PARTICULAR URGENCY.

I URGE YOU TO APPROPRIATE $300 MILLION FOR EMERGENCY RELIEF GRANTS TO METROPOLITAN AREAS WHICH HAVE BEEN SLAMMED BY THE AIDS EPIDEMIC -- CAUSING AS MUCH ECONOMIC DEVASTATION AS AN EARTHQUAKE OR A HURRICANE. IN SAN FRANCISCO ALONE, THE MAYOR'S HIV TASK FORCE HAS IDENTIFIED A GAP IN HIV PREVENTION AND CARE SERVICES OF BETWEEN $137 MILLION AND $152 MILLION FOR THE NEXT FISCAL YEAR. WE NEED FEDERAL DISASTER RELIEF.

I ALSO URGE YOU TO APPROPRIATE AN ADDITIONAL $400 MILLION FOR EARLY INTERVENTION PROGRAMS. THE RESEARCH EFFORTS AT NIH -- WHICH THIS COMMITTEE HAS SO ACTIVELY SUPPORTED -- HAVE CLEARLY ESTABLISHED THE BENEFIT OF EARLY MEDICAL INTERVENTION FOR PEOPLE WHO ARE HIV INFECTED BEFORE THEY GET SICK.

THIS MEANS THAT IT IS IMPERATIVE THAT YOUR COMMITTEE WORK WITH THE AUTHORIZING COMMITTEE TO ASSURE THAT A FEDERAL PROGRAM IS FUNDED TO ASSURE ACCESS TO AIDS DRUGS AND EARLY INTERVENTION MONITORING FOR LOW INCOME PEOPLE.

DURING THE REAGAN ADMINISTRATION, YEAR AFTER YEAR CHAIRMAN NATCHER AND THIS COMMITTEE ASSERTED THE LEADERSHIP WHICH WAS LACKING FROM THE WHITE HOUSE. I AM BITTERLY DISAPPOINTED IN THE BUSH ADMINISTRATION'S FIRST AIDS BUDGET. THIS YEAR -- AGAIN-- YOUR LEADERSHIP IS NEEDED TO SHAPE A HUMANE NATIONAL RESPONSE TO AIDS.

MR. CHAIRMAN, I APPRECIATE THE OPPORTUNITY TO PRESENT MY VIEWS ON AIDS-RELATED APPROPRIATIONS FOR FY 1991. I COMMEND YOU AND THE COMMITTEE FOR ALL THAT YOU ARE DOING TO RESPOND TO THIS EPIDEMIC. THANK YOU.

February 23, 1990
MK29 WHOJOHN.WK1

## PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| FOOD AND DRUG ADMINISTRATION | $101,481 | $91,726 | $64,568 | $63,236 |
| HEALTH RESOURCES AND SERVICES ADMINISTRATION | 241,500 | 183,284 | 68,165 | 72,679 |
| INDIAN HEALTH SERVICE | 2,249 | 2,249 | 1,091 | 1,013 |
| CENTERS FOR DISEASE CONTROL | 1,134,570 | 630,367 | 530,889 | 509,103 |
| NATIONAL INSTITUTES OF HEALTH | 1,278,409 | 997,780 | 836,189 | 800,164 |
| ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION | 277,616 | 250,363 | 238,545 | 229,669 |
| AGENCY FOR HEALTH CARE POLICY AND RESEARCH | 20,100 | 14,452 | 11,715 | 10,505 |
| OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH | 43,706 | 9,338 | 8,838 | 8,523 |
| PHS TOTAL | $3,099,631 | $2,179,559 | $1,760,000 | $1,694,892 |

February 23, 1990
MK29 WHOJOHN.WK1

## PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| PUBLIC HEALTH SERVICE | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | $1,240,095 | $986,803 | $847,995 | $807,232 |
| II. Risk Assessment and Prevention | 1,391,173 | 857,326 | 756,150 | 729,437 |
| III. Product Evaluation, Research, and Monitoring | 101,481 | 91,726 | 64,568 | 63,236 |
| IV. Clinical Health Services Research & Delivery | 249,464 | 188,284 | 69,067 | 72,952 |
| V. PHS-wide Activities | 117,418 | 55,420 | 22,220 | 22,035 |
| PHS TOTAL | $3,099,631 | $2,179,559 | $1,760,000 | $1,694,892 |

February 23, 1990
MK29 WHOJOHN.WK1

PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| PUBLIC HEALTH SERVICE | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | $369,636 | $307,623 | $237,541 | $212,922 |
| B. Neuroscience & Neuropsychiatric Research | 77,464 | 59,633 | 45,017 | 40,783 |
| C. Behavioral Research | 155,681 | 130,507 | 126,985 | 125,889 |
| D. Therapeutic Agents | 453,391 | 367,110 | 355,597 | 326,388 |
| E. Vaccines | 125,723 | 104,254 | 69,446 | 86,130 |
| F. Research Enhancement | 58,200 | 17,676 | 13,409 | 15,120 |
| subtotal | 1,240,095 | 986,803 | 847,995 | 807,232 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | 141,096 | 114,619 | 120,333 | 110,834 |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | 266,644 | 215,686 | 202,124 | 197,216 |
| C. Information & Education/Preventive Services | 983,433 | 527,021 | 433,693 | 421,387 |
| 1. High Risk or Infected Persons (non-add) | (619,551) | (253,799) | (213,431) | (203,978) |
| 2. Special Minority Initiatives (non-add) | (62,745) | (55,411) | (55,411) | (53,210) |
| 3. School and College Aged Youth (non-add) | (76,179) | (72,912) | (55,313) | (53,293) |
| 4. General Public & Special Programs (non-add) | (96,242) | (65,163) | (55,003) | (62,415) |
| 5. Health-Care Workers & Providers (non-add) | (51,129) | (39,016) | (39,315) | (33,689) |
| 6. Prevention Capacity Enhancement (non-add) | (77,587) | (40,720) | (15,220) | (14,802) |
| subtotal | 1,391,173 | 857,326 | 756,150 | 729,437 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | 51,240 | 45,091 | 26,370 | 24,760 |
| B. Vaccines | 14,010 | 13,023 | 11,398 | 9,688 |
| C. Diagnostic Reagents and Test Kits | 13,131 | 13,288 | 10,626 | 10,227 |
| D. Blood and Blood Products | 14,000 | 11,818 | 10,018 | 9,150 |
| E. Medical Devices | 9,100 | 8,506 | 6,156 | 9,411 |
| subtotal | 101,481 | 91,726 | 64,568 | 63,236 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | 176,364 | 149,577 | 42,574 | 41,529 |
| [Drug Subsidy Programs (non-add) | (30,000) | 0 | 0 | 0 |
| B. Health Services Demonstrations | 20,000 | 15,000 | 8,341 | 14,735 |
| C. Construction | 30,000 | 6,173 | 4,173 | 4,129 |
| D. Research | 23,100 | 17,534 | 13,979 | 12,559 |
| subtotal | 249,464 | 188,284 | 69,067 | 72,952 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | 4,018 | 4,570 | 4,070 | 3,935 |
| B. Contingency Fund | 25,000 | 0 | 0 | 0 |
| C. Construction (PHS Facilities) | 88,400 | 50,850 | 18,150 | 18,100 |
| subtotal | 117,418 | 55,420 | 22,220 | 22,035 |
| PHS Total | $3,099,631 | $2,179,559 | $1,760,000 | $1,694,892 |

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PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| FOOD AND DRUG ADMINISTRATION | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | --- | --- | --- | --- |
| B. Neuroscience & Neuropsychiatric Research | --- | --- | --- | --- |
| C. Behavioral Research | --- | --- | --- | --- |
| D. Therapeutic Agents | --- | --- | --- | --- |
| E. Vaccines | --- | --- | --- | --- |
| F. Research Enhancement | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | --- | --- | --- | --- |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | --- | --- | --- | --- |
| C. Information & Education/Preventive Services | --- | --- | --- | --- |
| 1. High Risk or Infected Persons (non-add) | --- | --- | --- | --- |
| 2. Special Minority Initiatives (non-add) | --- | --- | --- | --- |
| 3. School and College Aged Youth (non-add) | --- | --- | --- | --- |
| 4. General Public & Special Programs (non-add) | --- | --- | --- | --- |
| 5. Health-Care Workers & Providers (non-add) | --- | --- | --- | --- |
| 6. Prevention Capacity Enhancement (non-add) | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | 51,240 | 45,091 | 26,370 | 24,760 |
| B. Vaccines | 14,010 | 13,023 | 11,398 | 9,688 |
| C. Diagnostic Reagents and Test Kits | 13,131 | 13,288 | 10,626 | 10,227 |
| D. Blood and Blood Products | 14,000 | 11,818 | 10,018 | 9,150 |
| E. Medical Devices | 9,100 | 8,506 | 6,156 | 9,411 |
| subtotal | 101,481 | 91,726 | 64,568 | 63,236 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | --- | --- | --- | --- |
| [Drug Subsidy Programs (non-add) | --- | --- | --- | --- |
| B. Health Services Demonstrations | --- | --- | --- | --- |
| C. Construction | --- | --- | --- | --- |
| D. Research | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | --- | --- | --- | --- |
| B. Contingency Fund | --- | --- | --- | --- |
| C. Construction (PHS Facilities) | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| FDA Total | $101,481 | $91,726 | $64,568 | $63,236 |

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PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| HEALTH RESOURCES AND SERVICES ADMINISTRATION | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | --- | --- | --- | --- |
| B. Neuroscience & Neuropsychiatric Research | --- | --- | --- | --- |
| C. Behavioral Research | --- | --- | --- | --- |
| D. Therapeutic Agents | --- | --- | --- | --- |
| E. Vaccines | --- | --- | --- | --- |
| F. Research Enhancement | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | --- | --- | --- | --- |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | --- | --- | --- | --- |
| C. Information & Education/Preventive Services | 25,000 | 22,660 | 22,660 | 21,000 |
| 1. High Risk or Infected Persons (non-add) | --- | --- | --- | --- |
| 2. Special Minority Initiatives (non-add) | --- | --- | --- | --- |
| 3. School and College Aged Youth (non-add) | --- | --- | --- | --- |
| 4. General Public & Special Programs (non-add) | --- | --- | --- | --- |
| 5. Health-Care Workers & Providers (non-add) | (25,000) | (22,660) | (22,660) | (21,000) |
| 6. Prevention Capacity Enhancement (non-add) | --- | --- | --- | --- |
| subtotal | 25,000 | 22,660 | 22,660 | 21,000 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | --- | --- | --- | --- |
| B. Vaccines | --- | --- | --- | --- |
| C. Diagnostic Reagents and Test Kits | --- | --- | --- | --- |
| D. Blood and Blood Products | --- | --- | --- | --- |
| E. Medical Devices | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | 166,500 | 139,451 | 32,991 | 32,815 |
| [Drug Subsidy Programs (non-add) | (30,000) | --- | --- | --- |
| B. Health Services Demonstrations | 20,000 | 15,000 | 8,341 | 14,735 |
| C. Construction | 30,000 | 6,173 | 4,173 | 4,129 |
| D. Research | --- | --- | --- | --- |
| subtotal | 216,500 | 160,624 | 45,505 | 51,679 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | --- | --- | --- | --- |
| B. Contingency Fund | --- | --- | --- | --- |
| C. Construction (PHS Facilities) | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| HRSA Total | $241,500 | $183,284 | $68,165 | $72,679 |

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PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| INDIAN HEALTH SERVICE | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | --- | --- | --- | --- |
| B. Neuroscience & Neuropsychiatric Research | --- | --- | --- | --- |
| C. Behavioral Research | --- | --- | --- | --- |
| D. Therapeutic Agents | --- | --- | --- | --- |
| E. Vaccines | --- | --- | --- | --- |
| F. Research Enhancement | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | 100 | 106 | 106 | 95 |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | --- | --- | --- | --- |
| C. Information & Education/Preventive Services | 1,300 | 1,329 | 714 | 650 |
| 1. High Risk or Infected Persons (non-add) | (100) | (106) | (106) | (50) |
| 2. Special Minority Initiatives (non-add) | (300) | (317) | (317) | (315) |
| 3. School and College Aged Youth (non-add) | (100) | (106) | (106) | (50) |
| 4. General Public & Special Programs (non-add) | (200) | (200) | (106) | (100) |
| 5. Health-Care Workers & Providers (non-add) | (100) | (100) | (79) | (50) |
| 6. Prevention Capacity Enhancement (non-add) | (500) | (500) | --- | (85) |
| subtotal | 1,400 | 1,435 | 820 | 745 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | --- | --- | --- | --- |
| B. Vaccines | --- | --- | --- | --- |
| C. Diagnostic Reagents and Test Kits | --- | --- | --- | --- |
| D. Blood and Blood Products | --- | --- | --- | --- |
| E. Medical Devices | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | 849 | 814 | 271 | 268 |
| [Drug Subsidy Programs (non-add) | --- | --- | --- | --- |
| B. Health Services Demonstrations | --- | --- | --- | --- |
| C. Construction | --- | --- | --- | --- |
| D. Research | --- | --- | --- | --- |
| subtotal | 849 | 814 | 271 | 268 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | --- | --- | --- | --- |
| B. Contingency Fund | --- | --- | --- | --- |
| C. Construction (PHS Facilities) | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| HS Total | $2,249 | $2,249 | $1,091 | $1,013 |

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PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| CENTERS FOR DISEASE CONTROL | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | $6,916 | $6,937 | $6,937 | $5,522 |
| B. Neuroscience & Neuropsychiatric Research | --- | --- | --- | --- |
| C. Behavioral Research | 5,300 | --- | --- | --- |
| D. Therapeutic Agents | --- | --- | --- | --- |
| E. Vaccines | --- | --- | --- | --- |
| F. Research Enhancement | --- | --- | --- | --- |
| subtotal | 12,216 | 6,937 | 6,937 | 5,522 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | 135,136 | 109,116 | 106,116 | 96,758 |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | 80,264 | 49,883 | 44,883 | 44,162 |
| C. Information & Education/Preventive Services | 906,954 | 464,431 | 372,953 | 362,661 |
| 1. High Risk or Infected Persons (non-add) | (608,397) | (246,235) | (205,735) | (200,146) |
| 2. Special Minority Initiatives (non-add) | (57,681) | (50,326) | (50,326) | (48,307) |
| 3. School and College Aged Youth (non-add) | (76,079) | (71,621) | (53,643) | (52,527) |
| 4. General Public & Special Programs (non-add) | (87,710) | (56,029) | (48,029) | (46,964) |
| 5. Health-Care Workers & Providers (non-add) | --- | 0 | --- | --- |
| 6. Prevention Capacity Enhancement (non-add) | (77,087) | (40,220) | (15,220) | (14,717) |
| subtotal | 1,122,354 | 623,430 | 523,952 | 503,581 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | --- | --- | --- | --- |
| B. Vaccines | --- | --- | --- | --- |
| C. Diagnostic Reagents and Test Kits | --- | --- | --- | --- |
| D. Blood and Blood Products | --- | --- | --- | --- |
| E. Medical Devices | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | --- | --- | --- | --- |
| (Drug Subsidy Programs (non-add) | --- | --- | --- | --- |
| B. Health Services Demonstrations | --- | --- | --- | --- |
| C. Construction | --- | --- | --- | --- |
| D. Research | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | --- | --- | --- | --- |
| B. Contingency Fund | --- | --- | --- | --- |
| C. Construction (PHS Facilities) | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| CDC Total | $1,134,570 | $630,367 | $530,889 | $509,103 |

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PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | $35,123 | $31,387 | $29,887 | $27,339 |
| B. Neuroscience & Neuropsychiatric Research | 30,446 | 27,345 | 22,491 | 19,114 |
| C. Behavioral Research | 143,068 | 123,530 | 121,030 | 120,717 |
| D. Therapeutic Agents | --- | 0 | --- | --- |
| E. Vaccines | --- | 0 | --- | --- |
| F. Research Enhancement | 5,589 | 5,118 | 4,566 | 5,675 |
| subtotal | 214,226 | 187,380 | 177,974 | 172,845 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | 5,860 | 5,397 | 5,397 | 5,000 |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | 28,297 | 27,982 | 26,727 | 25,020 |
| C. Information & Education/Preventive Services | 15,568 | 15,560 | 15,221 | 14,704 |
| 1. High Risk or Infected Persons (non-add) | (1,130) | (1,120) | (987) | (984) |
| 2. Special Minority Initiatives (non-add) | --- | --- | --- | --- |
| 3. School and College Aged Youth (non-add) | --- | --- | --- | --- |
| 4. General Public & Special Programs (non-add) | (3,740) | (3,740) | (3,740) | (3,685) |
| 5. Health-Care Workers & Providers (non-add) | (10,698) | (10,700) | (10,494) | (10,033) |
| 6. Prevention Capacity Enhancement (non-add) | --- | --- | --- | --- |
| subtotal | 49,725 | 48,939 | 47,345 | 44,724 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | --- | --- | --- | --- |
| B. Vaccines | --- | --- | --- | --- |
| C. Diagnostic Reagents and Test Kits | --- | --- | --- | --- |
| D. Blood and Blood Products | --- | --- | --- | --- |
| E. Medical Devices | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | 9,015 | 9,312 | 9,312 | 8,446 |
| [Drug Subsidy Programs (non-add) | --- | --- | --- | --- |
| B. Health Services Demonstrations | --- | --- | --- | --- |
| C. Construction | --- | --- | --- | --- |
| D. Research | 3,000 | 3,082 | 2,264 | 2,054 |
| subtotal | 12,015 | 12,394 | 11,576 | 10,500 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | --- | --- | --- | --- |
| B. Contingency Fund | --- | --- | --- | --- |
| C. Construction (PHS Facilities) | 1,650 | 1,650 | 1,650 | 1,600 |
| subtotal | 1,650 | 1,650 | 1,650 | 1,600 |
| ADAMHA Total | $277,616 | $250,363 | $238,545 | $229,669 |

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PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| NATIONAL INSTITUTES OF HEALTH | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | $327,597 | $269,299 | $200,717 | $180,061 |
| B. Neuroscience & Neuropsychiatric Research | 47,018 | 32,288 | 22,526 | 21,669 |
| C. Behavioral Research | 7,313 | 6,977 | 5,955 | 5,172 |
| D. Therapeutic Agents | 453,391 | 367,110 | 355,597 | 326,388 |
| E. Vaccines | 125,723 | 104,254 | 69,446 | 86,130 |
| F. Research Enhancement | 52,611 | 12,558 | 8,843 | 9,445 |
| subtotal | 1,013,653 | 792,486 | 663,084 | 628,865 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | --- | --- | 8,714 | 8,981 |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | 158,083 | 137,821 | 130,514 | 128,034 |
| C. Information & Education/Preventive Services | 19,923 | 18,273 | 17,377 | 17,784 |
| 1. High Risk or Infected Persons (non-add) | --- | (6,338) | (6,603) | (2,796) |
| 2. Special Minority Initiatives (non-add) | --- | --- | --- | --- |
| 3. School and College Aged Youth (non-add) | --- | (1,185) | (1,564) | (716) |
| 4. General Public & Special Programs (non-add) | (4,592) | (5,194) | (3,128) | (11,666) |
| 5. Health-Care Workers & Providers (non-add) | (15,331) | (5,556) | (6,082) | (2,606) |
| 6. Prevention Capacity Enhancement (non-add) | --- | --- | --- | --- |
| subtotal | 178,006 | 156,094 | 156,605 | 154,799 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | --- | --- | --- | --- |
| B. Vaccines | --- | --- | --- | --- |
| C. Diagnostic Reagents and Test Kits | --- | --- | --- | --- |
| D. Blood and Blood Products | --- | --- | --- | --- |
| E. Medical Devices | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | --- | --- | --- | --- |
| [Drug Subsidy Programs (non-add) | --- | --- | --- | --- |
| B. Health Services Demonstrations | --- | --- | --- | --- |
| C. Construction | --- | --- | --- | --- |
| D. Research | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | --- | --- | --- | --- |
| B. Contingency Fund | --- | --- | --- | --- |
| C. Construction (PHS Facilities) | 86,750 | 49,200 | 16,500 | 16,500 |
| subtotal | 86,750 | 49,200 | 16,500 | 16,500 |
| NIH Total | $1,278,409 | $997,780 | $836,189 | $800,164 |

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PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| AGENCY FOR HEALTH CARE POLICY AND RESEARCH | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | --- | --- | --- | --- |
| B. Neuroscience & Neuropsychiatric Research | --- | --- | --- | --- |
| C. Behavioral Research | --- | --- | --- | --- |
| D. Therapeutic Agents | --- | --- | --- | --- |
| E. Vaccines | --- | --- | --- | --- |
| F. Research Enhancement | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | --- | --- | --- | --- |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | --- | --- | --- | --- |
| C. Information & Education/Preventive Services | --- | --- | --- | --- |
| 1. High Risk or Infected Persons (non-add) | --- | --- | --- | --- |
| 2. Special Minority Initiatives (non-add) | --- | --- | --- | --- |
| 3. School and College Aged Youth (non-add) | --- | --- | --- | --- |
| 4. General Public & Special Programs (non-add) | --- | --- | --- | --- |
| 5. Health-Care Workers & Providers (non-add) | --- | --- | --- | --- |
| 6. Prevention Capacity Enhancement (non-add) | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | --- | --- | --- | --- |
| B. Vaccines | --- | --- | --- | --- |
| C. Diagnostic Reagents and Test Kits | --- | --- | --- | --- |
| D. Blood and Blood Products | --- | --- | --- | --- |
| E. Medical Devices | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | --- | --- | --- | --- |
| (Drug Subsidy Programs (non-add) | --- | --- | --- | --- |
| B. Health Services Demonstrations | --- | --- | --- | --- |
| C. Construction | --- | --- | --- | --- |
| D. Research | 20,100 | 14,452 | 11,715 | 10,505 |
| subtotal | 20,100 | 14,452 | 11,715 | 10,505 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | --- | --- | --- | --- |
| B. Contingency Fund | --- | --- | --- | --- |
| C. Construction (PHS Facilities) | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| HCPR Total | $20,100 | $14,452 | $11,715 | $10,505 |

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PUBLIC HEALTH SERVICE
HIV/AIDS
(dollars in thousands)

| OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH | FY 1991 Request to PHS | FY 1991 PHS Request to HHS | FY 1991 HHS Request to OMB | FY 1991 Pres. Budget |
|---|---|---|---|---|
| I. Basic Science Research | | | | |
| A. Biomedical Research | --- | --- | --- | --- |
| B. Neuroscience & Neuropsychiatric Research | --- | --- | --- | --- |
| C. Behavioral Research | --- | --- | --- | --- |
| D. Therapeutic Agents | --- | --- | --- | --- |
| E. Vaccines | --- | --- | --- | --- |
| F. Research Enhancement | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| II. Risk Assessment and Prevention | | | | |
| A. Surveillance | --- | --- | --- | --- |
| B. Population-Based Res: Nat Hist, Trans, Risk Factors | --- | --- | --- | --- |
| C. Information & Education/Preventive Services | 14,688 | 4,768 | 4,768 | 4,588 |
| 1. High Risk or Infected Persons (non-add) | (9,924) | --- | --- | --- |
| 2. Special Minority Initiatives (non-add) | (4,764) | (4,768) | (4,768) | (4,588) |
| 3. School and College Aged Youth (non-add) | --- | --- | --- | --- |
| 4. General Public & Special Programs (non-add) | --- | --- | --- | --- |
| 5. Health-Care Workers & Providers (non-add) | --- | --- | --- | --- |
| 6. Prevention Capacity Enhancement (non-add) | --- | --- | --- | --- |
| subtotal | 14,688 | 4,768 | 4,768 | 4,588 |
| III. Product Evaluation, Research, and Monitoring | | | | |
| A. Therapeutic Agents | --- | --- | --- | --- |
| B. Vaccines | --- | --- | --- | --- |
| C. Diagnostic Reagents and Test Kits | --- | --- | --- | --- |
| D. Blood and Blood Products | --- | --- | --- | --- |
| E. Medical Devices | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| IV. Clinical Health Services Research & Delivery | | | | |
| A. Services | --- | --- | --- | --- |
| [Drug Subsidy Programs (non-add) | --- | --- | --- | --- |
| B. Health Services Demonstrations | --- | --- | --- | --- |
| C. Construction | --- | --- | --- | --- |
| D. Research | --- | --- | --- | --- |
| subtotal | 0 | 0 | 0 | 0 |
| V. PHS-wide Activities | | | | |
| A. OASH/NAPO | 4,018 | 4,570 | 4,070 | 3,935 |
| B. Contingency Fund | 25,000 | --- | --- | --- |
| C. Construction (PHS Facilities) | --- | --- | --- | --- |
| subtotal | 29,018 | 4,570 | 4,070 | 3,935 |
| OASH Total | $43,706 | $9,338 | $8,838 | $8,523 |

### HEALTH RESOURCES AND SERVICES ADMINISTRATION
### ACQUIRED IMMUNE DEFICIENCY SYNDROME
### BUDGET AUTHORITY IN $000

| | FY 1991 REQUEST TO OASH | FY 1991 PHS REQUEST TO HHS | FY 1991 HHS REQUEST TO OMB | FY 1991 PRES BUDGET |
|---|---|---|---|---|
| AIDS: | | | | |
| Education and Training Centers | 25,000 | 22,660 | 22,660 | 21,000 |
| Community Health Care Services | 36,000 | 21,525 | 13,405 | 13,323 |
| HIV Health Services Grants | 35,000 | 22,926 | 19,585 | 19,424 |
| Grants to States for HIV Health Services and Planning | 0 | 95,000 | 0 | 0 |
| Pediatric AIDS Health Care Demonstration Grants | 20,000 | 15,000 | 8,341 | 14,803 |
| AIDS Drug Reimbursement Program | 30,000 | 0 | 0 | 0 |
| Oral Health Care for AIDS Patients | 1,500 | 0 | 0 | 0 |
| Demo Projects-Sub-Acute Care | 7,500 | 0 | 0 | 0 |
| Clinical Care/Model Protocol | 6,000 | 0 | 0 | 0 |
| Counseling & Mental Health Services | 5,500 | 0 | 0 | 0 |
| Formula Grants to States for Home Health Services | 45,000 | 0 | 0 | 0 |
| AIDS Facilities Renovation | 30,000 | 6,173 | 4,173 | 4,129 |
| Program Management | (12,450) | (6,000) | (4,125) | (4,850) |
| TOTAL, AIDS | 241,500 | 183,284 | 68,165 | 72,679 |
| (FTEs) | (102) | (88) | (55) | (55) |

HRSA/OPM/BFPB
DW/65/VHJON91

Mr. NATCHER. Mrs. Pelosi, we want to thank you for an excellent statement and for your appearance before our committee. Thank you.

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THURSDAY, APRIL 26, 1990.

## OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

### WITNESS

### HON. MAJOR R. OWENS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. NATCHER. Our next witness is Major Owens. We are delighted to have you before the committee. We want you to know that we appreciate your attendance at this time.

Further, on the record, Major Owens, I want to thank you for helping us. Ever since you have been a Member of Congress, when we bring our bill up you help us. I wish everybody in your district could hear me say that, so I just put it on the record. We appreciate it and we are going to listen to you.

Mr. OWENS. As Mrs. Pelosi said, we find your leadership inspiring.

I would like to comment generally on the responsibilities of my subcommittee with respect to the Office of Educational Research and Improvement. There is a lot of justified concern about educational research and development. It has an unfortunate history here. We would like to see that in because it is absolutely necessary in order for educational improvement to go forward in this country that there be a thorough, effective research development and dissemination effort.

My subcommittee will be reauthorizing the Office of Educational Research and Improvement activities. We are hopeful that while we are in the process of reauthorizing that a large part of the present structure will be preserved and not dismantled.

The centers, the laboratories, the information centers, they constitute a structure which is worth continuing to invest in. Not enough evaluations have taken place. They don't all perform as well as we would like for them to perform. While we are in the process of refining the system, we would like to see it stay basically intact.

We are proposing a major addition to this effort via a new kind of delivery system which parallels the system which fortunately was developed early in the history of our country. The land grant colleges and the county agent system for immediately transferring the benefits of science and experimentation to agriculture is the basis and the backbone for the great success we have enjoyed in the area of agriculture. No other industrialized nation can begin to come close to America in the ability to produce food for its people and people over the world.

As a result of this combination of science and practitioner, no farmer will tell you now you don't need research and development. They use it all the time. It is a source of greatness of our very efficient system.

We would like to see something similar happen with respect to an ongoing way to get the best that is developed with respect to educational innovation and research immediately disseminated into the school systems. We will be proposing in our reauthorization the establishment of something parallel to land grant colleges called learning grant institutions. We would like to see something parallel to the county agents called district education agents to quickly move the best that is available into systems and put it into practice.

While all of this is going forward, we think that the present system is all we have. It is a woefully inadequate system. Only $100,000,000 approximately is spent on research and development.

Again, I would like to put emphasis on development and dissemination. Dissemination and development are very important. We have a lot of research that is not properly disseminated, not put in the proper package.

We will submit this afternoon a more extensive written statement. I would like to, I will in that written statement show how each one of the President's goals is going to have to have more development, experimentation. We need widespread dissemination. You need a vehicle to deliver this. In the present centers and laboratories we have a lot sitting there that could be packaged properly and delivered to help meet those goals that have been set forth by the President and the governors with respect to education.

More specifically, let me comment on some of the items that we are very concerned about this year.

We are opposed to the large increases proposed in the administration's budget request for ELRI with respect to discretionary funding. The discretionary activities described in the budget documents do not in our estimation have sufficient clarity or assurances that these amounts will not be used to develop partisan programs of little research value, such as the choice agenda for school reform.

That is an approach that the Chairman of the full committee and myself and many other experts in education have gone on record as opposing, because it is an innovation of marginal value at best which contributes little toward the basic improvement of our schools. It moves us into partisan efforts that have discredited, the kind of efforts that have discredited the Office of Educational Research and Improvement in the past.

We are in favor of full funding of an additional $4,000,000 to fully fund the 18 centers that have been proposed. Worthwhile projects have also come out of the regional laboratories, and we are in favor of the funding of the national, full funding of the National Diffusion Network and the Educational Research and Information Centers in order to further guarantee the dissemination of these materials.

We would propose that you fully fund and support the fully funding of $3,000,000 for the provision in the Omnibus Trade Bill which established within the Office of Educational Improvement and Office of Training and Technology Transfer.

The purpose of that office would be to facilitate the transfer of educational training software from Federal agencies to the public and private sector and to state and local governments in order to support the training and retraining of citizens whose improved knowledge will force greater international competition.

A small sum of $3,000,000 is necessary, but it would be quite beneficial, particularly the military. We do a lot of educational research and development in our military services. None of that gets transferred to the civilian sector, although much of it would be applicable if we had a vehicle for transferring. We would like to urge you proceed cautiously when considering the budget request for the national educational progress.

I share in this connection the concerns that have been expressed by Emerson Ellis, the acting commissioner for the National Center for Educational Statistics; Christopher Cross, who is the Assistant Secretary; and the head of the chief state of schools office, Gordon Umbar.

We are worried about the fact that this subcommittee's board wants to tie the funding for the board to the funding for the unit in a way which means that that board may get a greater proportion of funds than is necessary for that kind of board. We would propose that the board receive no more than a set sum of $1,000,000 and not a percentage of the funds that are made available for the National Assessment Board.

Beyond OERI we have some concerns about the EHA state assistance grants. We are proposing that we get closer to the 40 percent that we set as a goal for Congress when the programs were first established. We are proposing that certain initiatives be taken. We are reauthorizing not only the discretionary programs, but we would like support for certain initiatives in the effort to get more minority teachers.

We are proposing a $17,500,000 increase for black colleges and universities and universities and colleges which have 25 percent or more minority enrollment in order to get more teachers into an area where the great majority of the students are minority students.

For transition from school and to work, we are proposing in our reauthorization legislation that we move the sum for transition up to $25,000,000 for demonstration models in the area of assisted technology and under the area of statewide system change projects involving state education agency and the state vocational rehabilitation agency.

For seriously emotionally disturbed students, we are asking for an increase because we find the greatest percentage of new students being referred to special education are labeled as emotionally disturbed.

And we would like finally to fully fund the Child Abuse and Family Violence Prevention Act up to the level of its authorization. The child abuse fatalities have, most conservative estimates show they have increased by 10 percent from 1988 to 1989. This is partially related to the great increase in drug abuse problems in families. We recommend fully appropriating the emergency protective services grants as established under Section 107(a) of part F of the Public Law 101-226 of the Drug Free Schools and Communities Act Amendments of 1989.

I want to thank you, Mr. Chairman. We will submit a more detailed description of these requests in writing this afternoon.

Mr. **Natcher**. It will be placed in its entirety.

Mr. **Natcher**. Again, Major Owens, we want you to know that we appreciate your appearance before our committee. You made us an excellent statement, Mr. Owens. Thank you very much.

The committee will recess until 2:00.

[The information follows:]

## TESTIMONY OF THE HONORABLE MAJOR OWENS
## CHAIRMAN, SUBCOMMITTEE ON SELECT EDUCATION

Twenty-five years ago, when the Chapter One program was first established as a central vehicle to assist educationally disadvantaged students, a broad consensus existed that education was a key component in the "War Against Poverty." Part of the effort that accompanied the development of new programs was the establishment of an educational research, development and dissemination infrastructure that aimed to mirror the impressive research systems developed by the military and health establishments.

For one reason or another--the Vietnam war, distracting arguments concerning the canard of federal curriculum control, and a certain amount of anti-intellectualism that is endemic to our culture--the educational research and development system, as envisioned, was never realized. The structures developed became victimized by extreme partisan political interference, and as a result, were so nickel and dimed that they are now no more than a few blades of grass in the sparse field of federal school improvement efforts.

Our research effort is disastrously inadequate when judged by any reasonable measure:

- $36 billion was spent on the defense research and development budget, which grew 81% during the period 1980-87. During the same period, the education department research allocation was cut by

33% according to figures prepared for the Subcommittee by the General Accounting Office (R & D Funding: The Department of Education in Perspective, May 1988)

- Although more than $300 billion is spent per year on education, less than two tenths of one percent is spent on federal educational research and development.
- According to the Office of Technology Assessment, "...if the Nation's educational enterprise invested in research and development in the same proportion to gross receipts as the average U.S. industry, investment would have amounted to between $8 and $12 billion in 1985, 60 to 90 times more than the actual total." The investment goal of the federal research, development, and dissemination function must be 1% of the total amount spent nationally on education.

Today we face an educational crisis in this country no less massive than the one with which President Johnson was confronted. The Subcommittee Preliminary Staff Report, Educational Research, Development and Dissemination: Reclaiming a Vision of the Federal Role for the 1990's and Beyond, recommends ways in which the research, development and dissemination system can be improved to address the important educational goals which the President and the Governors have set for the nation.

The first task is to insulate OERI from partisan interference by establishing structures similar to those of the National Science Foundation and the National Institutes of Health. Another vital recommendation is to create a dissemination system that effectively translates knowledge and information based on research that is as verifiable and reliable as the best biomedical findings (see "Education Researchers Vexed by Lack of Impact," New York Times, November 1, 1989).

The current fragmented and underfunded dissemination system is inadequate to help the children most at risk for educational failure. There is an urgent need to develop new strategies that are based on models drawn from outside the educational research field. We will be proposing such a model when we draft legislation for the reauthorization of the Office of Educational Research and Improvement.

The U.S. agricultural extension model is undoubtedly the most widely recognized system in the world for the diffusion of information. The system has been attributed with playing a major role in the U.S. agricultural revolution during the decades following World War 11. The system of Land Grant Universities, created by the 1862 Morrill Act, lacked a mechanism to effectively translate research to farmers until the beginning of the new century. Broome County, in my home state of New York, is credited with the first extension program in 1911. The success of this model and subsequent ones is attributable to the incorporation of the practical needs of the community.

The budget for the work of county agents has steadily increased (it is now approximately $800 million) despite cuts in other areas of the agricultural budget. We will be proposing a similar delivery system, analogous to that developed by agriculture, to be implemented first on an emergency basis in the fifty poorest congressional districts. Eventually, the program would cover a portion of the school districts in each one of the four hundred thirty-five congressional districts. We are proposing the establishment of "learning grant institutions" which will serve as bases for the operation of "district education agents."

Let me comment now on the Administration's proposed budget request for OERI. We support increases in the following legislatively-mandated activities: the Regional Educational Laboratories, the National Educational Research Centers, the National Diffusion Network, and ERIC. Until the reauthorization of OERI, it is important that the existing components of OERI not be radically altered.

Worthwhile and proven programs, such as the Regional Educational Laboratories, the National Diffusion Network and ERIC, should be sufficiently funded since they, in our judgment, play a very significant role in our overall national reform effort. We strongly support the Administration's amended request for an additional $4 million to fund 18 national educational research and development centers.

We support full funding of P.L. 100-418, the "Omnibus Trade and Competitiveness Act of 1988," at $3 million. This Act authorizes the establishment of the Office of Training and Technology Transfer within OERI. The purpose of this office will be to facilitate the transfer of educational and training software from federal agencies to the public and private sector and to state and local governments.

We are opposed to the large increases proposed in the Administration's budget request for discretionary spending. The discretionary activities described in the budget documents do not, in our estimation, have sufficient clarity or assurances that these funds will not be used to develop partisan programs of little research value. For example, the choice agenda for school reform--an approach that the Chairman of the full committee and myself have gone on the record as opposing--is of marginal value, contributing little toward the basic improvement of our schools.

I would suggest that we proceed cautiously when considering the budget request for the National Assessment of Educational Progress (NAEP). I share the concerns of Emerson Elliot, Acting Commissioner of the National Center for Educational Statistics; Christopher Cross, Assistant Secretary of the Office of Educational Research and Improvement; and Gordon Ambach, Executive Director of the Council of Chief State School Officers who urged an incremental rather than rapid expansion of the National Assessment of Educational Progress. Additionally, I support Mr. Cross' request that the National Assessment Governing Board (NAGBE) be funded separately. The board should receive no more than the FY 90 appropriation.

My comments on other legislation within the jurisdiction of the Subcommittee will be briefer.

We support a $1 billion increase in the State assistance grants under Section 611 of the Education of the Handicapped Act. The FY 90 appropriation for the program is woefully short of the 40% federal share required by the Congress in the legislation.

Central to the Education of the Handicapped Act are the Discretionary Programs which provide the framework for research, technical assistance, information dissemination, personnel training, and model demonstration projects and activities.

- Currently, African-American and Hispanic children comprise 28% of the total enrollment in special education. In 1989, only 9.4% of the 3.6 million prekindergarten through high school teachers were African-American; only 3.9% were Hispanic. Since minority children comprise a disproportionately large percentage of the special education enrollment in our schools, the effort to educate them would be enhanced if they were provided with more opportunities to see themselves reflected in their schools' instructional workforces. Minority teachers are critical since they serve as mentors to students in dire need of cultural validation and academic encouragement. We have authorized $17.5 million for Historically Black Colleges and Universities and other institutions of higher education whose minority student enrollment is at least 25% for the recruitment and retention of minorities in the field of special education.

- The proposed reauthorization legislation responds to needed changes in the area of transition for youth with disabilities from secondary school to post-secondary programs or employment and independent living. To further this goal, we have included an authorization of $25 million for (1) demonstration models in the area of assistive technology and (2) statewide system change projects involving the state education agency and the state vocational rehabilitation agency. I request that you consider fully funding the new transition provisions.
- Testimony presented during the EHA reauthorization process made it clear that students with serious emotional disturbances remain significantly underserved by the special education process. We have authorized $8 million for a demonstration program. I recommend full funding for this provision.

The number of reported child abuse and neglect cases have increased sharply. Child abuse fatalities have increased 10% from 1988 to 1989. We recommend fully appropriating the Emergency

Child Protective Services Grant as established under Section 107A of Part F of P.L. 101-226 of the "Drug Free Schools and Communities Act Amendments of 1989."

[COMMITTEE PRINT]

# PRELIMINARY STAFF REPORT ON EDUCATIONAL RESEARCH, DEVELOPMENT, AND DISSEMINATION: RECLAIMING A VISION OF THE FEDERAL ROLE FOR THE 1990's AND BEYOND

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PREPARED FOR THE

SUBCOMMITTEE ON SELECT EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

SEPTEMBER 1989

THIS REPORT HAS NOT BEEN OFFICIALLY ADOPTED BY THE COMMITTEE ON EDUCATION AND LABOR (OR ANY SUBCOMMITTEE THEREOF) AND MAY NOT, THEREFORE, NECESSARILY REFLECT THE VIEWS OF ITS MEMBERS

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Serial No. 101-J

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AUGUSTUS F. HAWKINS, *Chairman*

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## I. INTRODUCTION

Sixteen years ago, the Congress established a distinct federal office responsible for educational research and development, with the following mission statement:

> The Congress declares it to be the policy of the United States to provide to every individual an equal opportunity to receive an education of high quality regardless of race, color, religion, sex, age, handicap, national origin or social class. Although the American educational system has pursued this objective, it has not obtained this objective. Inequalities of opportunity to receive high quality education remain pronounced. To achieve the goal of quality education requires the continued pursuit of knowledge about education through research, improvement activities, data collection and information dissemination. While the direction of American education remains primarily the responsibility of state and local governments, the Federal government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry in the educational process.[1]

Reclaiming this vision for federally-sponsored educational research and development for the 1990's and beyond is the focus of this report.

The House Subcommittee on Select Education has primary oversight reponsibility for the Department of Education's Office of Educational Research and Improvement (OERI) as well as responsibility for authorizing any new legislation relating to that office. In 1991 the authorizing legislation, set forth in sections 405 and 406 of the General Education Provisions Act (GEPA), is due to expire.[2] The Subcommittee is examining the possibility of amending or reauthorizing this legislation earlier than scheduled, and in any case, will immediately develop a framework for a broad consultative process leading to reauthorization of OERI.

In a nation where education is primarily a state and local responsibility, it is imperative that the federal government be instructive and supportive in its role rather than commanding and controlling. The optimum role for the federal government is to do for the states and localities what they cannot do for themselves. Research, development, and dissemination are clearly functions which the states and localities cannot conduct effectively for themselves, and for which the federal government must bear prime responsibility. The nature of these functions is such that they are best carried out by means of an independent entity capable of gathering data from a variety of sources for the purpose of making comparisons. Meaningful research, development, and dissemination also require an investment above and beyond the ongoing operational activities and budgets of state and local education agencies.

The goal of the federal research, development, and dissemination effort should be the establishment of a national treasure chest of research results, models, and materials to be conveniently placed

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[1] P.L. 92-318, amending Section 405(a) of The General Education Act (GEPA).

[2] P.L. 99-498, Higher Education Act Amendments of 1986.

at the disposal of the nation's educational decision-makers. In order to accomplish this task, the federal research, development, and dissemination function must have the highest degree of integrity and credibility. For good reason, education is a matter which arouses great emotions from many segments of the population. And the national landscape is littered with experts who claim to know what and how children learn. Above the plethora of "motherwit", common sense, ideological extremism, and pseudo-science there must be established some stable and amply illuminated beacon of light, fueled by the best available reason, science, and scholarship.

This national treasure chest must be made available, not only to Congress and the federal executive branch, but to every decision-maker in America. They must be able to tap into a network which allows them to use this vital resource. As they strive to improve their systems, governors and state legislators, state commissioners, local school boards, superintendents, principals, teachers and parent should be able to confidently shop for ideas, models and materials. Of all the forms of assistance that the federal government could possibly provide, research, development, and dissemination are the least expensive, the least threatening, and the most needed.

Growing out of the Subcommittee's oversight hearings on OERI held on April 20 and 21, 1988, this report is intended as an open invitation to all who have a stake in educational research in our nation to respond. It is conceived as an early step in a dialog which aims to include individuals and institutions which have not yet seen themselves as having a stake in the process. A final report, to be released prior to January 1989, will attempt to further crystallize issues as a new administration prepares its education agenda.

Public comments can greatly assist this process of forging an effective national research, development, and dissemination effort. Written comments are especially welcome, and should be sent to the House Subcommittee on Select Education, 518 House Annex One, Washington, D.C. 20515. Comments should be directed to Maria Cuprill, Subcommittee Director.

## A Need for Action

At a time when the need for solutions to long-term problems within the nation's schools is the focus of considerable national anxiety, it has become apparent that there is a critical need to develop solutions through meaningful educational research.

The economic well-being of society depends on the effective education of all our citizens. Statistics such as the following indicate that there are serious failures in meeting the educational needs of millions of young Americans. Specifically.

—It is estimated by the Bureau of the Census that an average of 3,789 children drop out of school each day, or 682,000 a year. In urban centers the rate is much higher; up to half of all students entering ninth grade fail to graduate.[3] The costs of dropping out are staggering, both for the individual and for the society generally. The Committee on Economic Development

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[3] The drop out estimate of 682,000 is based upon information from the Current Population Survey conducted by the Bureau of the Census. The daily average was obtained by dividing the number of dropouts between 1985 and October 1986 by 180 schooldays.

(CED) estimates that each year's class of dropouts will cost the nation more than $240 billion in lost earnings and foregone taxes over their lifetimes. CED excludes from this figure the billions for crime control, welfare and health care, and other social services, that this group will cost the nation.[4]

—Currently, according to CED, fewer than 50% of high school seniors read at levels considered adequate to carry out only moderately complex tasks, while a staggering 80% have inadequate writing skills.[5]

—In the areas of math and science, our students rank near the bottom in international measures of achievement among developed nations.[6]

The direction taken in this report is the result of two days of hearings on OERI held by the Subcommittee in April. The hearings included the first oversight in over twenty years of the regional labs and centers—the major instrumentalities for federal educational research and development.

What emerged from the extensive oral and written testimony of 21 witnesses was a picture of federal educational research and development in disarray. The budget for OERI has diminished substantially over the years (the General Accounting Office documented a 70% reduction—measured in constant dollars—since the 1970's in support of research).[7] Additionally, it also appears that the office has lost sight of its mission and purpose.

The hearings demonstrated that there is also a great disparity between what many of the witnesses perceive as the most critical needs of the nation's schools and the research and dissemination agenda pursued by OERI.

Without clear support for a research agenda that is responsive to American education in the 1990's, OERI is destined to be viewed as only marginally relevant to the improvement of educational practice. This report is published as an urgent first step to help build a consensus for change.

## Plans for Additional Hearings, Consultations, Site Visits

No one group of individuals has a monopoly on wisdom or constructive and workable ideas. Therefore, as the Subcommittee proceeds with the oversight and reauthorization process, a systematic effort will be made to solicit input from each of the communities that has a stake in an effective education R&D system. This will include, but not be limited to, consumers of education information such as teachers; administrators; school boards; local, state, and federal policymakers; parents; librarians; the military; the private sector; foundations and nonprofit, including community-based, organizations; unions; and education R&D producers and disseminators, e.g., researchers, program designers and implementers.

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[4] The Committee on Economic Development, *Children in Need: Investment Strategies for the Educationally Disadvantaged*, 3, 1987. See also McDill, Pallas, *In Our Lifetime: Schooling and the Disadvantaged*, Paper prepared for the Committee on Economic Development, September 1987, 36.

[5] *Children in Need*, 3. See also National Assessment of Educational Progress, "Literacy: Profiles of America's Young Adults," Educational Testing Service, Princeton, N.J., 1986.

[6] International Association for the Evaluation of Educational Achievement, *Science Achievement in Seventeen Countries, A Preliminary Report*, 1988 and *The Underachieving Curriculum: Assessing U.S. School Mathematics from an International Perspective*, 1987.

[7] United States General Accounting Office, *Education Information: Changes in Funds and Priorities Have Affected Production and Quality*, Washington, D.C.: GAO/PEMD-88-4 November 1987, 4.

The process of exchanging viewpoints and information will contribute to a more informed debate and discussion. It will lead to the creation of new partnerships among members of the interested communities which can foster what should be an ongoing process of implementation, evaluation, and modification.

Toward this end, consultations with members of the community, begun prior to the April hearings, will be continued and expanded. The Subcommittee also plans one additional oversight hearing for the fall of 1988. New and progressive programs and practices, brought to the Subcommittee's attention, represent promising areas of educational change and experimentation. Site visits and consultations to some of these programs are projected.

## II. RECOMMENDATIONS: FINDINGS AND CONSIDERATIONS

### RECOMMENDATIONS

What follows are a series of recommendations designed to spearhead needed changes for OERI to more effectively meet the current and future challenges confronting the nation's schools. In order for real progress to be made, OERI needs to be depoliticized so that priorities can be properly identified and research activities can gain the kinds of credibility and support they merit. Because the problems effecting the nation's schools are so pressing, it is important that all available resources be coordinated in the most efficient and effective manner. OERI needs to exercise leadership to bring together the work of all government agencies and departments that pertain to educational research. In the interim, urgent new initiatives are necessary to discover better ways to teach the educationally disadvantaged.

1. The administrative and policy-making context for OERI must be modified to establish a strong policy advisory body which has the status, prestige and credibility necessary to reassure governmental decision-makers and the public in general, that there will be a determined ongoing effort to maintain maximum feasible freedom from partisan interference. The policy advisory board shall recommend priorities, review grant and contract-making procedures, and make other relevant policy recommendations.

2. OERI must set priorities and establish a series of longterm goals in consultation with Congress and a restructured advisory board.

3. The investment goal of the federal research development and dissemination function must be 1% of the total amount spent nationally on education. Funds spent for these activities by States, localities and the private sector should be included in the overall assessment of the national investment.

4. An administrative task force must be appointed to make recommendations to improve the coordination of OERI's mission with that of the other components of the department of education. Additionally, the task force should make recommendations designed to improve the coordination of OERI's educational research, development and dissemination function with those of other Federal agencies.

5. OERI must develop a national dissemination policy that will advance the goal of placing a national treasure chest of research results, models and materials at the disposal of the Nation's educational decision-makers.

6. OERI must require routine professional and independent evaluations of all funded research, development and dissemination activities and make them available to congress in the form of biannual reports.

7. OERI must make a significant new investment in researching and evaluating new technology capable of improving the quality of education at all levels.

8. Private sector involvement in the generation of educational products and services must be throughly reviewed and special efforts must be mounted to forge more effective partnerships between the private and public sectors.

9. OERI must fund new initiatives to improve the effectiveness of education for the disadvantaged, including the establishment of a new national center-laboratory for the effective education of the disadvantaged. Such new initiatives should not go forward until there has been appropriate consultation with Congress and knowledgeable scholars in the education community.

10. A national center-laboratory for the effective education of the disadvantaged should be utilized as the core of a pilot project for the provision of ongoing assistance to schools whose enrollments are made up predominantly of "at risk" students. A responsive and interactive delivery system for research, development and dissemination (similar to the original agricultural extension programs of the land grant colleges) must be installed.

### Findings and Considerations

1. The administrative and policy-making context for OERI must be modified to establish a strong policy advisory body which has the status, prestige and credibility necessary to reassure governmental decision-makers and the public in general, that there will be a determined ongoing effort to maintain maximum feasible freedom from partisan interference. The policy advisory board shall recommend priorities, review grant and contract-making procedures, and make other relevant policy recommendations.

There is widespread belief that OERI has become far too partisan to perform its work effectively. The partisan politicization of research has had a number of serious consequences. It has meant that some of the funded research has lost credibility. This loss of credibility has meant a sharp decline in the amounts of money that appropriations committees are prepared to commit to educational R&D. Additionally, it has served to erode the long-term prospects for significant increases in funding. By placing OERI's policy setting mechanisms on a new non-partisan footing, the research and development operation will become more effective.

This view is also shared by the independent Office of Technology Assessment (OTA) in their recent publication *Technology and the American Economic Transition: Choices for the Future,* "Lessons learned from research institutes in other areas could be used to construct a charter that would provide the greatest possible insulation from political manipulation while ensuring that the system was responsive to the needs of its clients—the Nation's students and teachers."[8]

Despite the recognition by the founders of the original National Institute for Education (NIE) that federally funded research activities should be insulated from partisan interference, the administrative and advisory structures that were established did not assist in furthering this intent. Although the National Council for Education Research (NCER) was meant to be a broadly representative advisory board with the powers to recommend policy, no specific board membership criteria existed. Furthermore, because the body's nomination process was entirely in the hands of the executive branch, critical delays in selecting a board affected NIE's ability to present credible testimony before key congressional appropriations' committees.[9]

A more independent and representative board is a crucial first step in restoring the credibility of the educational research enterprise. In some of the major research fields—from space exploration to health—boards similar to the kind recommended have taken a hand in significantly shaping policy and have been relatively more successful in attracting widespread and continued support for their work.

Unless OERI is given more freedom from partisan interference, these goals will continue to remain out of our reach. We are proposing a structure which allows for participation of all relevant groups who will help to bring objectivity in policy-making, priority setting and the grants-making process. The panel will have the responsibility for helping to shape the educational research, development and dissemination policy in the United States. The members of the board must be selected from the ranks of the educational research community, be nominated by the majority and minority leaders of the House and Senate, and should include representatives from both major national teacher unions, the foundation community, parent organizations, private industry, as well as state and local education administrators (see Appendix A). Membership, limited to a maximum of 29, could be composed as follows:

1. Executive membership: the Directors of Research for the Departments of Defense and Labor, Assistant Secretary for the Office of Educational Research and the Secretary for Education as well as the Directors of the National Science Foundation, National Institutes of Health, the National Endowment for the Arts, the National Endowment for the Humanities (NEH) as well as the Librarian of Congress.
2. One representative from each of the two major national teacher associations and one representative of a national parents organization.
3. One representative from the Chief State School Officers, and one from local school superintendent associations.

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[8] United States Congress, Office of *Technology Assessment, Technology and the American Economic Transition:* Choices for the Future, May 1988, 459.

[9] L. Sproull, S. Weiner, and D. Wolf, *Organizing an Anarchy: Belief, Bureaucracy and Politics in the National Institute of Education*, University of Chicago Press, 1978, 85.

4. One representative from the Foundation community.

5. Six representatives from private industry: two to be appointed by the President; one appointed by the majority and minority leaders of the House and Senate.

6. Remaining representation to be drawn from the educational research community: one to be appointed by the majority and minority leaders of the House and Senate and three to be appointed by the President.

7. The Board would be chaired by the Vice President of the United States in order to accord it the appropriate prestige and status.

Such modification of the policy-making context of OERI is necessary to shield the nation's research, development, and dissemination program from partisan dominance to the maximum extent possible. All aspects of federal educational policy-making stand to gain from such political insulation.

2. OERI must set priorities and establish a series of long-term goals in consultation with Congress and a restructured advisory board.

The Subcommittee hearings produced evidence that OERI has a limited capacity to engage in significant long-term planning to address the problems schools will confront in the year 2000 and beyond. The dangers of short-term funding and rapidly shifting priorities were also made evident at the hearing. The lack of continuity in funding has served to further weaken the credibility of the educational research and development enterprise, preventing the successful marshalling of resources around key priority areas. Educational research must go beyond the various whims of each incoming Assistant Secretary of Education or the demands of political fashion.

The agency's inability to plan ahead has precipitated the lack of long-term, carefuly evaluated research—precisely the type that is highly valued and has made a difference at the policy level. The single best known example of this work is the Perry Preschool Project, which continues to be funded through the High/Scope Foundation based in Michigan. The work was based on a commitment to improve the educational experiences for a group of preschool disadvantaged children which made clear that specific kinds of early intervention were effective means of avoiding the high societal cost of educational failure. While the hearing brought out some of the administrative problems that block the funding of such a long-term research project, it is important that we find ways to provide for this kind of well-focused inquiry.

Our planning should also take into account some of the basic economic realities that will begin to impact us by the end of the century (e.g., the projected shortage of skilled labor to fill an increasing amount of jobs that require at least a high school diploma). A goal of a 100% graduation rate by the year 2000 should be more than just an ideal, but a real target for the entire society if the United States is going to compete in today's international marketplace.[10]

The potential for change may be greater in some educational areas than others. The National Academy of Education should be commissioned to evaluate our educational knowledge to date and to identify areas most likely to yield the greatest potential to improve student learning. As the Committee on Economic Development testified, we already are aware of those innovations, which judged in purely economic terms, are sound investments for the federal government to make.[11] We need improved processes which will enable OERI to make informed, rational decisions about how it can most efficiently use, as well as build upon, the existing knowledge base to most effectively meet the nation's current and future needs.

The following are examples of goals that might be included in a long-term plan:

1989-1999

A. Fully implement early childhood programs to cover all eligible children
B. Introduce Oriental and Slavic language studies into every high school in America
C. Achieve a 90% graduation rate for High School
D. Double the number of minority graduates entering the teaching profession
E. Achieve a 90% grade level reading rate for all ninth graders (as determined by a nationally accepted test)

1999-2009

A. Increase by 50% the number of students entering into and graduating from college.
B. Improve the ratings of the performance of American students in international math and science comparisons
C. Ensure 100% computer literacy for all high school graduates
D. Introduce individualized educational programs into all elementary and secondary schools
E. Achieve a 90% adult literacy rate nationally

In order to set priorities that do not change every few years, it is vital that the guiding fundamental question for the sponsorship of federal educational research, development, and dissemination shall be: What activities will facilitate the achievement of these goals?

3. The investment goal of the Federal research, development and dissemination function must be 1% of the total amount spent nationally on education. Funds spent for these activities by States, localities and the private sector should be included in the overall assessment of the national investment.

There is widespread consensus that funds devoted to educational research and development are far too limited. Since the fact is that the total national investment in education (including state and local levels) approaches $300 billion dollars, funding for educational research (under $100 million) is well below the 1% considered healthy for any enterprise that needs to adapt to changing demands. The Subcommittee heard evidence that Xerox spends $700 million dollars on R&D, a much greater percentage of its overall budget than that spent by the federal government.[12] The Office of Technology Assessment recently expressed the point another way, "If the Nation's educational enterprise invested in research and development in the same proportion to gross receipts as the average U.S. industry, investment would have amounted to between $8 and $12 billion in 1985, 60 to 90 times more than the actual total."[13]

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[10] United States House of Representatives, Subcommittee on Select Education, Committee on Education and Labor, Hearings on the Office of Educational Research and Improvement (OERI), Testimony of Gordon Ambach before the Subcommittee on Select Education, April 21, 1988, 80.

[11] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Nathaniel M. Semple, April 20, 1988.

The hearings provided ample evidence that demands on the educational system are intense and will become even more so in the future: whether we look at the problem from the perspective that other developed countries are outperforming the U.S. on math and science achievement tests or that the workplace is increasingly requiring higher skill levels from new employees. However, as educational needs have increased, R&D funds have declined precipitously. Without significant and well-directed expenditures in the area of educational research, we will inevitably "lose the brain race."[14]

Undoubtedly, the incoming Administration, partly in response to the long period of budget decline, will promise budget increases in education. However, it is an open question as to whether significant increases will be targeted at educational research, development and dissemination. The magnitude of the problem is such that unless the best talents in the educational research community are fully engaged in the process of rebuilding, any increases will be temporary and the real results of the spending uncertain.

The 1% R&D investment goal will be made more realistic if local, state, and private funding sources are taken into account when assessing the increased amounts to be spent in this area. Appropriate coordination under a restructured research and development and dissemination office should enable the federal government to both track the uses of non-federal research dollars and more effectively disseminate useful results.

4. An administrative task force must be appointed to make recommendations to assist in the coordination of OERI's mission with that of other components of the department of education. Additionally, the task force should make recommendations designed to improve the coordination of OERI's educational research, development and dissemination function with those of other Federal agencies.

Despite repeated calls for greater coordination of the federal investment in educational research and development, much remains to be done to fully maximize our national efforts.[15] The authorizing legislation directs OERI to ". . . promote the coordination of educational support within the Federal Government. . . ." [16] However, ERIC, the educational research and information clearinghouse system designated to receive all relevant government documents, is often bypassed by many federal agencies and departments responsible for educational research. Subcommittee hearings additionally revealed that meaningful cooperation and communication among the various agencies and departments responsible for educational research is rare. It is dismaying, for example, that although 20% of the active military is either being taught or is engaged in teaching and that the military spends up to five times more than the civilian sector on educational technology, ERIC does not receive any military documents pertaining to educational improvement.[17]

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[12] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Dennis P. Doyle, April 20, 1988.

[13] United States Congress, Office of Technology Assessment, *Technology and the American Transition*, May, 1988, 458.

[14] D. Kearns and D. Doyle, *Winning the Brain Race, A Bold Plan to Make Our Schools Competitive*, ICS Press, 1988.

While it is difficult enough to justify in an age of lean budgets the lack of communication between OERI and other executive departments, the degree to which OERI's own funded entities (labs, centers, and ERIC) fail to cooperate with each other is a phenomenon which borders on absurdity. Potentially more serious questions are raised concerning the extent to which OERI does not coordinate with the other components of the Department of Education. For example, the Department has established its own informational clearinghouses that do not have the capability to interact with similar subject area clearinghouses sponsored by the ERIC system.[18]

Small scale initiatives, such as the Federal Interagency Committee on Education (FICE), which was proposed when the Department of Education was founded, cannot hope to accomplish what is needed.[19] These efforts fail because they view interagency coordination statically, as the periodic communication between agency heads around certain topics of mutual interest. An internal administrative task force will need to examine creative solutions that force greater coordination upon all aspects of what should become a comprehensive, interactive system. Such possibilities might include innovative cross-coordination mechanisms that would allow both labs and centers to work together with local school districts on high priority problems. Regional conferences that bring together state and local educators, as well as lab and center staff, to develop an action agenda around such problems as dropout prevention, must be considered.[20]

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[15] See for example, *Educational Research: Prospects and Priorities, Appendix 1 to the Hearings on H.R. 3606 and Related Bills to Create a National Institute of Education*, before the Subcommittee on Select Education, 11-36 and *Hearings*, Testimony of Richard L. Turner, before the Subcommittee on Select Education, Hearings to Extend the Authorization of Appropriations for the National Institute of Education, February, 1980.

[16] P.L. 96-88 (d) 1 (E), Department of Education Organization Act of 1979.

[17] United States Congress, Office of Technology Assessment, *Technology and the American Transition*, 242, United States Congress, Office of Technology Assessment, *Power On! New Tools for Teaching and Learning*, 1988, 164, and see testimony of Judi Conrad, Chair Council of ERIC Directors (COED), before the Subcommittee on Select Education, Thursday, April 21, 1988, 117.

[18] There are for example three clearinghouses funded by the Department of Education devoted to the same aspect of special education, the National Clearinghouse for the Education of the Handicapped, National Clearinghouse for Postsecondary Education of the Handicapped and the National Clearinghouse on Careers and Employment in Special Education, all of which do not communicate with the ERIC clearinghouse devoted to Handicapped and Gifted Children, or the ERIC clearinghouse on Adult, Career and Vocational Education. Nor does the ERIC clearinghouse on Languages and Lingusitics correspond with the Education Department's Clearinghouse on Bilingual Education.

[19] FICE was established under P.L. 96-88. See also United States Congress, Office of Technology Assessment, *Power On! New Tools for Teaching and Learning*, 181.

Other options that require exploration consist of substantive ways to link the Department of Education's Office of Planning, Budget and Evaluation (OPBE) with relevant researchers within OERI and the labs and centers. OPBE collects a vast amount of data concerning the functioning of vital federal programs such as Chapter One. There must be a more interactive mechanism through which program data can be analyzed and assessed so that modifications of the program can be made prior to the issuance of a final report or evaluation.[21] Moreover, the research community must have a greater hand in shaping the kinds of demonstration programs that are funded and greater say in how those programs are evaluated and disseminated.

5. OERI must develop a national dissemination policy that will advance the goal of placing a national treasure chest of research results, models and materials at the disposal of the Nation's educational decision-makers.

What emerges from approximately twenty years of direct federal involvement in educational dissemination is the importance of local commitment to school improvement and the relative ineffectiveness of imposing change from the top down.[22] Studies additionally reveal that those who have the responsibility for implementing policy often feel overwhelmed by a surplus of information and have little time to distinguish the effective innovations from those of doubtful validity.[23] At the same time, many can agree that those schools requiring the most radical changes are often the last to receive up-to-date and relevant information which could help make a difference.

There are few signs that the current dissemination system is well equipped to deal with the importance of the above insights. Specifically, there has yet to emerge a national dissemination policy of exploiting, in a coordinated fashion, the strengths of existing dissemination systems (such as the regional labs, ERIC, and the National Dissemination Network), as well as identifying what other dissemination strategies are needed to meet the needs of today's schools.

Among those other strategies should be ones that have the most promise of significantly improving practice in the poorest school districts which contain the children most at risk for educational failure. The improvement of student learning has always been a key congressional priority, but the above listed instrumentalities have been slow in developing innovative ways to penetrate the host of bureaucratic structures that block improvement in some of the nation's least effective schools.

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[20] Broad topics such as drop out prevention, could provide opportunities to explore some of the promising research approaches affecting "at-risk youth", K through 12.

[21] L. Leviton and R. Boruch, "Contributions of Evaluation to Education Programs and Policy", *Evaluation Review*, 7 (1983): 563–598.

[22] "Implementation Aspects of Dissemination: reflections Toward an Immodest Proposal" David P. Crandall, Paper presented before AERA conference in New Orleans, April, 1988, 14.

[23] C.V. Horn and B. Hetrick, "Buyers and Brokers: Information Flow in the Education Policy Community" Unpublished research report funded by the United States Department of Education, Office of Educational Research and Improvement, Grant #OERI-6-86-0011, October, 1987, 27-28.

There is an urgent need to develop new strategies that are based on models drawn from outside the educational research field. One possible example is drawn from the agricultural extension, "county agent" system which transferred productive agriculture ideas and technologies to farmers least exposed to new knowledge.[24] Analogizing from this example would mean that highly trained educational researchers with practical experience with the realities of the classroom and who are also familiar with the neighborhoods from which the students are drawn, would actively assist principals, teachers, and others seeking to foster constructive educational improvements.

Another innovative concept proven successful by the Department of Agriculture and worthy of exploration would involve etablishing community councils dedicated to school improvement. Such councils could be formed co-jointly with neighborhood resources centers which contain materials describing the latest validated educational innovations and practices. Such local community groups could help to generate some of the pressure needed to change outmoded practices and act as a crucial link between the researchers, the local community, practitioners, and policy makers.

6. OERI must require routine professional and independent evaluations of all funded research, development and dissemination activities and make them available to Congress in the form of a biannual report.

Professional and independent evaluations of federally-funded educational research, development and dissemination are unfortunately lacking. Without such information it becomes difficult to assess the value of the work being performed and to make the case that more funds for educational research need to be appropriated.

The Subcommittee hearings revealed that OERI has failed to exercise leadership in this area. Testimony from the General Accounting Office showed that between 1980 and 1985, evaluation activities declined precipitiously by 79%.[25] The present administration has continued to view the evaluation of its funded projects as, at best, a marginal activity. Despite the fact that a major recompetition of the regional labs and centers is scheduled for 1990, the Assistant Secretary is doubtful that there will be funds available for continued peer review of these entities.

The time has long passed when hearsay and anecdotal evidence about the value of the work being done can be substituted for hard documentation. While educational research, development and dissemination work can be difficult to evaluate, it should be possible to develop reasonable criteria to assess progress towards clearly identifiable goals. Strong OERI leadership is necessary to facilitate more professional evaluations which would improve the credibility of educational research. An important first step would be to have an independent panel develop specific evaluation criteria that will be used to review the work of key federal entities, including the labs and centers.

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[24] "Extension in the Eighties: A Report of the Joint USDA Committee on the Future of Cooperative Extension", University of Wisconsin, Madison, May, 1983.

[25] United States General Accounting Office, *Education Information: Changes in Funds and Priorities Have Affected Production and Quality*, Washington, D.C.: Gao/PEMD-88-4, 3.

OERI must continue to broaden the work of the National Diffusion Network (NDN) by working with the labs and centers to validate promising methods and procedures. Congress needs to receive more accurate information about the most effective dissemination strategies for reaching certain target populations, as well as research strategies that would be most beneficial to practitioners making a difference at the classroom level.

OERI should also provide leadership by supporting a system for educators to exchange information on the effectiveness of programs, products and practices. Many school systems collect information on curriculum or policies but they have no way of learning the results of similar approaches attempted elsewhere. The agency should study the possibility of establishing an information exchange system that could complement the National Diffusion Network (NDN) by being more interactive and locally-based.[26]

7. OERI must make a significant new investment in researching and evaluating new technology capable of improving the quality of education at all levels.

A recent Office of Technology Assistance report, *Technology and the American Transition: Choices for the Future,* makes clear that although educational technology holds the promise of important breakthroughs within the next two decades in the way we teach, the Department of Education has yet to make the investment commitment necessary to reap the potential benefits:

> At present there is no national center for focusing research on education equivalent to the National Institutes of Health or the Agricultural Research Center. By far the bulk of research on educational technology supported by the Federal Government is undertaken by the Department of Defense. While a private information company typically spends several percent of gross revenue on research, virtually nothing is allocated for research directed at the real problems of teaching and learning.[27]

Important innovations provide a beacon of hope that fully individualized approaches to basic subjects like reading can be replicated across subject areas. For example, the learning rates of kindergartners and first-graders have consistently increased with the use of John Henry Martin's "Writing to Read" program, developed with IBM support. The measured grade levels of adults has increased by 2-3 years during a 20-week course using a similar advanced IBM system designed to teach literacy skills.[28]

In their comprehensive assessment of technology use in elementary and secondary education, *Power On! New Tools for Teaching and Learning,* OTA has found that new educational technologies are helping to shift our understanding of education to become more learner-oriented.[29] This new emphasis is in accord with Albert Shanker's concern that the traditional classroom paradigm may be the cause of the majority of students failing to receive an adequate education.[30] There is a clear federal responsibility both to invest in the research and development of new technology (perhaps with the benefit of private cooperation), and to assist schools to move into a new technological era—an era which thus far we have stumbled into rather than carefully planned for.[31] Clearly, the development of an educational technology policy that addresses the needs of the nations' schools should be worked out in consultation with a variety of experts, private industry, top researchers, as well as practitioners. Budget requests based on careful evaluation of needs and options stand an increased likelihood of increased funding over the long term.

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[26] The concept of an interactive resource for teachers and educational consumers has been initiated by the Educational Products Information Exchange, (EPIE), a non-profit consumer group.

[27] United States Congress, Office of Technology Assessment, Summary of *Choices for the Future* Report, May, 1988, 49.

[28] "Literacy Program is a Revelation for Non-Reading Adults" *Technological Horizons in Education,* 15 (September, 1987): 81-82.

8. Private sector involvement in the generation of educational products and services must be thoroughly reviewed and special efforts must be mounted to forge more effective partnerships between public and private sectors.

Over recent years the involvement of the private sector in the improvement of education has become more significant. Industry support of colleges and universities has risen steadily for the past thirty years, from $40 million to more than $1 billion. Of the more than $3 billion in total annual corporate charitable contributions, more than one third is for education.[32]

A report by Public/Private Ventures, *Allies in Education: Schools and Businesses Working Together for At-Risk Youth,* reviews the various kinds of business participation in education and concludes that, ". . . economic concerns have been a spur to business involvement in public education. Many large economic issues are being redefined as educational improvement issues. Educational problems are being identified as potential economic catastrophes. Such an environment is fertile for continuing school/business partnerships." [33]

While comparatively less attention has been paid to the private sector's role in stimulating educational research, projects such as IBM's "Writing to Read" program, Apple's "Classroom of Tomorrow" and the recently created Institute of Research in Learning (supportred by Xerox), have developed as a result of intensive research efforts. The federal role in fostering such initiatives clearly includes stimulating more of the work currently being performed in this area by developing appropriate public-private partnerships. OERI has not demonstrated the leadership necessary to develop the kinds of institutional mechanisms to move in this mutually beneficial direction.

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[29] United States Congress, Office of Technology Assessment, *Power On! New Tools for Teaching and Learning,* September, 1988, 172.

[30] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Albert Shanker, April 20, 1988.

[31] United States Congress, Office of Technology Assessment, *Power On! New Tools for Teaching and Learning,* documents OERI's reductions in support for technology proejcts. For example, of the nine grants to Field-Initiated Research Studies funded in fiscal year 1987, one had a technology focus, 167.

[32] "Business and Higher Education: New Partnerships for a New Era" A. Magazine and M. Usdan in V. Hodgkinson (Ed) *Impact and Challenges of Changing Federal Role: New Directions for Institutional Research,* 1985, 45.

[33] National Association for Industry-Education Cooperation Newsletter, Vol. XXIV, No. 1. February 1988, 2. Quoting from *Allies in Education; Schools and Businesses Working Together for At-Risk Youth.* Philadelphia: Public Private Ventures, 1987.

The significant challenges of educating 1,500,000 new workers who will enter the work place over the next ten years, call for many joint initiatives between the public and private sectors. In many other areas of the economy such as space exploration, health, and defense, cooperative ventures are more common than in the educational sphere. Testimony before the Subcommittee revealed that there is a need for more long-term studies, which due to the exigencies of the federal budget, have not been possible to fund. While typically federal research dollars are committed for no longer than five years (as is the case with the labs and centers) and field-initiated studies for one year, much of the most significant research of recent years has had to be performed outside of the federal sector by private groups.[34]

The following are two kinds of institutional models that have the capacity to foster productive cooperation in the area of education and which could offer the possibility of much longer term commitments of money needed to fund important longitudinal studies:

1. Non-profit research corporations already have built up expertise in some specific areas of educational research. The High/Scope Foundation, for example, has specialized in the evaluation of early intervention strategies. Other organizations are sometimes specially commissioned by the government to perform tasks in their particular areas of expertise. For example, Manpower Demonstration Research (MDRC) analysed supported work initiatives for the Department of Labor in conjunction with the Ford Foundation. High quality expertise is difficult to find in some specialized areas, such as program evaluations. How non-profit research corporations can be used in these areas must be considered.
2. An innovative model of Cooperative Government Industry research is provided by the recently created SEMATECH. The purpose of SEMATECH is to carry out research and development on the semi-conductor manufacturing technologies which will help the United States semi-conductor industry regain equality with the Japanese. Fifty percent of the funding for the organization is provided by 14 United States semiconductor manufacturers; the other fifty percent by the Department of Defense. Similar research organizations could be designated the task of producing curricula software designed to meet the needs of specific populations.

These and other institutional arrangements could become critical in making the necessary qualitative leaps forward in building the knowledge base necessary for lasting improvements in the way students are taught and how they learn.

9. OERI must fund new initiatives to improve the effectiveness of education for the disadvantaged, including the establishment of a new national center-laboratory for the effective education of the disadvantaged. Such new initiatives should not go for-

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[34] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Charles Wallgren, April 21, 1988.

ward until there has been appropriate consultation with Congress and knowledgeable scholars in the education community.

To establish a Center for the Effective Education of the Disadvantaged, which is merely one more such center, is to throw dollars at the problem in the same direction that previous dollars have been thrown with grossly inadequate results. Indeed present law requires that all of the already established centers must be engaged in activities which contribute to the effective education of the disadvantaged. This is also the mandated mission and goal of all of the other activities financed by OERI. Laboratories, independent researchers, bureaus, etc., are all required to focus primarily on the effective education of the disadvantaged.

The repetition of the following quote from the OERI mission statement provides the most relevant illumination:

> The Congress declares it to be the policy of the United States to provide to every individual an equal opportunity to receive an education of high quality regardless of race, color, religion, sex, age, handicap, national origin or social class. . . . Inequalities of opportunity to receive high quality education remain pronounced. . . . While the direction of American education remains primarily the responsibility of state and local governments, the Federal government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry in the educational process.

Any new entity funded by OERI should be primarily focused on: harvesting the products which have already been generated by existing centers and labs; collaborating with ongoing projects and activities; coordinating similar and supportive work among the centers and laboratories; maximizing the dissemination functions of the existing Educational Research Information Centers; the identification of knowledge and research gaps which remain; launching new research efforts to close the gaps; expanding the development and dissemination activities in ways which guarantee an ongoing federal presence for local education agencies, teachers, parents and community leaders. To accomplish this timely and climatic mission we need a National Center-Laboratory with goals and objectives which are different from the existing centers.

A new National Center-Laboratory should not be bound by the parameters which have limited the other federally-funded centers and laboratories. Instead, the new entity should have maximum flexibility to engage in any research, development and dissemination activities which promote the effective education of the disadvantaged. The new Center-Laboratory should be structured to initiate and oversee a variety of approaches to research in combination with extensive experimentation and dissemination. If some modification of existing law is needed then such amendments should be enacted.

Both the nation and disadvantaged students would profit greatly if the first concern of the new Center-Laboratory was the harvesting of products, techniques and services which have already been developed by entities under the jurisdiction of OERI. As far as the disadvantaged are concerned, the new entity would become the keeper of that particular federal treasure chest of new concepts, models, publications, etc. under one umbrella. The synthesis of existing research results would, at minimum cost, speed the application of relevant findings. The new Center-Laboratory would sort out what is most relevant for client teachers and systems serving the disadvantaged and direct the dissemination of this valuable material to areas of greatest utilization. There should be a special budget to subsidize the massive duplication and distribution of such products.

Collaboration with ongoing projects and activities sponsored by the existing centers, labs and information units would also yield considerable results with a minimum amount of new investment. Almost all of the work done by these existing entities has some utility in the schools and class-rooms serving the disadvantaged. Such collaboration, how-ever, cannot yield rewards if it is conducted as an informal, volunteer or extra work activity. Specific staff, travel budgets, incentive systems, etc. must be made available for this purpose. Closely related to the collaboration with individual agencies would be the coordination of several entities to enhance some special projects or results and hasten their availability to the educators of the disadvantaged. No such obviously beneficial coordination with appropriate clout and authority is presently being attempted.

The more rapid and more complete identification of gaps in knowledge and research would be one of the obvious by-products of a greater effort at collaboration and coordination. The Center-Laboratory should be given the authority (and the funding) to award mini-grants and contracts to agencies, groups or individual researchers in order to close the gaps in research and knowledge needed immediately by the systems serving the disadvantaged. The Center-Lab would thus become a major rudder and gyroscope for research and development activity important to the disadvantaged. Its close working relationships with existing centers, labs, and ERIC units would allow this guidance function to operate effectively with a minimum of new costs.

And finally, the National Center-Laboratory should be charged with a new task: the development of a model for the provision of ongoing research, development and dissemination support for teachers, school systems, parents and community leaders. The gravity of the present situation within urban communities with large concentrations of disadvantaged students is such that there is a need for an ongoing federal presence. The research, development and dissemination treasure chest must be made available constantly and conveniently. While the Federal government should make no attempts to command and control any aspects of local education efforts, the federal government and its resources must be more accessible to those seeking to make educational improvements.

Proposed new approaches such as the one listed above should be more thoroughly analyzed by scholars who are more knowledgeable about the problems of educating the disadvantaged. Instead of rushing to install a new Center in the last days of an administration which has grossly neglected the problem, a more thoughtful and inclusive planning approach is needed. Instead of the OERI continuing to circulate the current *Request for Proposals* it would be more appropriate to fund knowledgeable independent reseachers who would submit papers and studies to undergird the planning process for this new kind of National Center-Laboratory.

10. A national center-laboratory for the effective education of the disadvantaged should be utilized as the core of a pilot project for the provision of ongoing assistance to schools whose enrollments are made up predominantly of "at risk" students. A responsive and interactive delivery system for research, development and dissemination (similar to the original agricultural extension programs of the land grant colleges) must be installed.

There is an acute problem of massive proportions facing our public schools. Particularly in the large urban areas where the greatest number of disadvantaged students are concentrated, the need for far-reaching improvements is critical and urgent. The present piece-meal approach of OERI will never have an impact which is significant in proportion to the great need. A system with greater capacity for assisting with a variety of problems and a capacity for responsiveness is needed. A system which is permanently available to support operating educational systems would represent a quantum leap forward. Replacing the occasional and episodic involvement of OERI with its haphazard delivery of the benefits of research and development, there should be a vehicle for delivery similar to the program developed by the United States Department of Agriculture and the land grant colleges.

What has been good for American agriculture might prove to be a new beginning for the most seriously damaged education systems of our country. American farms were transformed by the steady interjection of the benefits of research and development into the food producing industry. American agriculture became the model for the world as a result of the early marriage of theory, engineering and practice. A similar approach to educational research and development, within a decade or two, could achieve equally astounding results for American education.

At the risk of exhausting the metaphor, a more detailed description of the delivery system being proposed might compare it to the "drip irrigation" technique so sucessfully popularized by the Israeli farmers. The steady application of the benefits of research and development in economical doses that are appropriate for the problem is the desired outcome. Technical assistance agents similar to the "county agents" utilized by the Department of Agriculture may become the key components of this more direct approach. Many of the organizational and human engineering techniques pioneered by the county agents should be thoroughly examined for possible use in the dissemination of educational research and development results.

What is needed is an experiment which tests an approach which, instead of requiring a totally new structure, would prove to be a logical expansion of the work of the existing entities: centers, laboratories, information units. With "education agents" serving as the quarterbacks for their assigned areas; centers, independent researchers, regional laboratories and ERIC units would be called upon as needed. Beyond the utilization of ERIC to rapidly deliver the products already available in centers and labs, "education agents" would be the logical originating point for proposals for new research or for the contracting of the expertise available in centers and labs to replicate programs and projects which these centers and labs have already successfully developed.

At this time, the proposal is to limit the experiment to testing a new system of delivery of support to accomplish educational improvements to localities with high concentrations of disadvantaged students. It is also proposed that a new National Center-Laboratory for the Effective Education of the Disadvantaged be the primary vehicle for the testing of this concept, for the launching of this pilot project. This reocmmendation, however, is being made on the assumption that what will prove to be of great value in immediately improving schools for the disadvantaged will also be good for all types of American school systems. Eventually, a delivery system which parallels the early extension program of the Department of Agriculture should be installed to cover every school district in America.

As the ideological and commercial competition mounts in the global village of the twentieth and twenty-first centuries there will be a permanent need for educational improvements regardless of the present levels of achievement. To meet this challenge we should not hesitate to fully explore a time-tested approach which has achieved great success. What made a miracle for American agriculture may, at least, stimulate steady and escalating improvements in American education.

## III. SUMMARY OF HEARING TESTIMONY

### INTRODUCTION

The purpose of the Subcommittee hearings on April 20 and 21 was to determine the extent to which the nation's educational research agenda reflects its key educational priorities, and the potential consequences for ignoring them. In addition, the Subcommittee hoped to initiate a debate about whether the Department of Education's research infrastructure—consisting largely of a network of labs, centers and clearinghouses—is adequate to meet the challenges identified in a host of recent influential reports on the current crisis in education, or whether new research entitles are required.

Additionally, Subcommittee Chairman Owens has expressed concern about the low status accorded educational R&D. While there appears to be a correlation between military capability and the Defense Department's investment in military R&D, the connection between educational research and improved practice is not obvious to most practitioners.

Yet another area of concern to the Subcommittee was the limited funding of educational R&D. Although educational research may never need the funding levels absorbed by the military R&D effort, Chairman Owens indicated that the Subcommittee intended to press for more adequate funding for the nation's educational research and development program.

With these concerns in mind, witnesses at the OERI hearings offered testimony and recommendations concerning OERI's budget, mission, structure, and priorities, as well as ways in which research methods and dissemination could be improved. The witnesses were: P. Michael Timpane, President, Teacher's College, Columbia University; Nathaniel M. Semple, Vice-President and Secretary, Research and Policy Committee, Committee for Economic Development; James S. Coleman, National Opinion Research Center; Faustine C. Jones-Wilson, The Bureau of Educational Research, School of Education, Howard University; Mary Hatwood Futrell, President, National Education Association; Eleanor Chelimsky, Director, Program Evaluation and Methodology Division, General Accounting Office; Alan C. Purves, Director of the Center for Writing and Literacy, State University of New York; Albert Shanker, President, American Federation of Teachers; Chester E. Finn, Jr., Assistant Secretary for the Office of Educational Research and Improvement, Department of Education; Charles Wallgren, Executive Vice-President, High/Scope Educational Research Foundation; James Hyman, Vice-President, Manpower Demonstration Program; Denis Doyle, Senior Research Fellow, The Hudson Institute; Christopher T. Cross, President of the University Research Corporation, and Chairman of the Laboratory Review Panel, OERI; John E.

Hopkins, Executive Director, Research for Better Schools; Susan Fuhrman, Director, Center on State and Local Policy, Development and Leadership, Rutgers University; Gordon Ambach, Executive Director, Council of Chief State School Officers; Nancy Cole, President, American Educational Research Association; Judi Conrad, Assistant Director, ERIC Clearinghouse on Handicapped and Gifted Children and Chair, Council of ERIC Directors (COED); Michael Kaplan, Director, Basic Research, U.S. Army Institute; and Richard E. Rowberg, Chief, Science Policy Research Division, Congressional Research Service. Grouped by subject area, some of the salient points made at the hearings are summarized below.

## BUDGET

### UNDERFUNDING OF EDUCATIONAL RESEARCH AND DEVELOPMENT

OERI's budget was the focus of a great deal of testimony at the hearings due to a widespread perception, among education researchers and the Department officials alike, that educational R&D within the federal government is underfunded. Long-term declines in funding were documented by a recent General Accounting Office (GAO) report, *R&D Funding: The Department of Education in Perspective,* which reveals significant declines in funding for educational R&D in both current and constant dollars between 1980 and 198[illegible]. During that period educational R&D declined 33% while defense R&D increased 81%. While Education accounted for 0.2% of the 1987 federal R&D budget, Defense accounted for 64%, up from 44% in 1980.[35]

The Subcommittee asked GAO to compare Department requests with Congressional appropriations for the period 1980 to 1988. Trends documented in the GAO report show that, in general, Administration requests have exceeded Congressional appropriations over the past eight fiscal years. Nevertheless, Administration critics argue that Congress is reluctant to fund OERI because its research agenda has been politicized.

Denis Doyle contrasted the underfunding of OERI to the burgeoning private sector investment in educational R&D. Doyle, who served as research director for the Committee for Economic Development (CED)—a consortium of businessmen and educators that documented the economic cost of the nation's high school dropout rate in an influential report, entitled *Children in Need*[36]—stated:

> By way of illustration, look at the federal government's expenditures on education research. With the most generous definition of education research, it is hard to find as much as $100 million in the overall federal budget. Contrast that to the amount we spend operating the Nation's elementary and secondary schools, about $150 billion per year. In turn, contrast that to the amount that a corporation like Xerox spends on research each year, $700 million.[37]

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[35] United States General Accounting Office, *Report to the Chairman, Subcommittee on Select Education, Committee on Education and Labor, House of Representatives,* "R&D Funding: The Department of Education in Perspective" (Washington, D.C.: GAO/PEMD-88-18FS, May, 1988) 6.

[36] Committee for Economic Development. *Children in Need: Investment Strategies for the Educationally Disadvantaged* (New York: 1987).

[37] United States House of Representatives, Subcommittee on Select Education, Committee on Education and Labor, *Hearings on the Office of Educational Research and Improvement (OERI),* Statement of Denis Doyle, April 20, 1988.

### ESTIMATES OF NEED

Assistant Secretary Chester Finn estimated that in order for the nation's public school system to match the private sector's investment in educational R&D, the federal government would have to spend considerably more than its current funding level of $124 million. His reasoning was as follows:

> The total [spending] for all education institutions, schools and colleges in the country, as I said, is in the vicinity of $300 billion at the present time. Obviously, if 1% of that were being spent on research and development activity it would be $3 billion. . . . If you . . . got down to the fact that the federal government accounts for . . . about $20 billion out of the $300 billion, that is to say, about 8%, 7% of the total expenditure on education comes through the Department of Education, and if we had a $3 million research budget and paid for 7 or 8% of it, we would be paying several hundred million a year—there is no doubt about that—through Department of Education sources alone for educational research.[38]

### CAUSES OF UNDERFUNDING

Witnesses at the April 20–21 hearings remarked not only upon the underfunding of OERI relative to other R&D agencies within the federal government, but also upon the causes and consequences of this state of affairs. The office of the presidentially-appointed director of NIE was abolished in 1985 when the National Institute of Education (NIE) was reorganized as OERI. Its functions were assumed by the Assistant Secretary for Educational Research and Improvement, a political appointee who reports directly to the Secretary of Education. This change, according to John E. Hopkins, Executive Director of Research for Better Schools, effectively politicized the educational R&D apparatus and was viewed with distrust by Congress, which was subsequently less inclined to fund increases in OERI's budget. Regarding congressional skepticism of OERI, Hopkins said:

> We believe that the funding for educational R&D will increase when Congress is confident that the money will be used to support legitimate activity. The legitimacy of the activities will always be in question, though, when a handful of officials accountable only to themselves, determine both the research agenda and those who will carry it out. Unfortunately, the current structure of the Department of Education does not provide any separation between these functions. As long as that is the case, the situation is ripe for abuse. The structure needs to be changed.[39]

P. Michael Timpane, President of Teachers College at Columbia University, cites two reasons for the failure of educational R&D to receive more federal support: 1) the commonly held view that educational R&D is less systematic or methodologically rigorous than other sciences; 2) partisanship in the selection of projects to fund. A lack of advocacy on the part of constituent groups was a factor as well, he indicated. Timpane acknowledges the difficulty in undertaking educational research, because the learning process depends on human beings, whose behavior is unpredictable. However, he argues that it is misguided to abandon educational research just because of the problems associated with it:

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[38] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Assistant Secretary Chester Finn, April 21, 1988.

[39] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of John E. Hopkins, April 21, 1988.

> To conclude that educational research ought not to be pursued because it did not, in its early work, succeed widely would be the most misguided of policies. What if we had made such a decision in the early days of this century, when modern research in medicine or agriculture was newly possible? I think the answer is obvious.[40]

Nathaniel Semple, Vice President and Secretary of the Research and Policy Committee of CED believes that educational R&D has not been adequately funded in recent years because it has failed to document the economic returns on educational intervention in general. CED views education as an investment and is primarily concerned about the nation's economic return on that investment. In his testimony, Semple cited the Perry Preschool Program as the most well-documented educational research to date because it undertook a rigorous cost-benefit analysis to support its contention that pre-school programs help disadvantaged youth. Since the early 1980's financing for most of the follow-up work done by the High/Scope Educational Research Foundation on the Perry Pre-school Program has come from private sources rather than federal grants.

### CONSEQUENCES OF UNDERFUNDING

Denis Doyle believes that the underfunding of educational R&D has contributed to the declining competitiveness of the U.S. in world markets. To illustrate the importance of R&D in the corporate sector, he pointed to the experience of Xerox Corporation, which recently recovered its market share from Japanese competitors by undertaking an ambitious (and expensive) R&D effort. Doyle believes that only by making a comparable investment in educational R&D, will American students become competitive with their counterparts in other industrialized nations.

Nancy Cole, President of the American Educational Research Association and Dean of the College of Education at the University of Illinois, believes that the lack of adequate resources has created a research base which is too narrow and has discouraged efforts to train new researchers. It has also fostered a climate which is hostile to educational research. Cole believes that the Subcommittee can correct this situation:

> (1) by establishing mechanisms for setting priorities and realistic funding targets for those priorities, (2) by marshaling bipartisan support for these directions, and (3) by ensuring that objective procedures for the award of grants and contracts are followed.[41]

According to Eleanor Chelimsky, the Director of the Program Evaluation and Methodology Division of the General Accounting Office, underfunding has affected the quality of education information generated by the Department of Education. In her testimony Chelimsky summarized the findings of a recent GAO report, *Education Information: Changes in Funds and Priorities Have Affected Production and Quality,* which documented significant declines in the number and quality of departmental awards for research, statistics and evaluation. This report also documented a shift away for new data collection efforts; the investigation of fewer areas, including areas critical to the education reform movement; and a shift away from individual research grants to institutional awards. While shielding key programs from budget cuts, this shift has necessitated the deemphasis of field initiated studies.[42]

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[40] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of P. Michael Timpane, April 20, 1988.

[41] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Nancy S. Cole, April 21, 1988.

Chelimsky believes that the quality of education information has suffered because of marked decreases in funding for education information, even as overall Department of Education funding has increased 38 percent in real terms since 1972. While Chelimsky is concerned about underfunding, she does not believe that "merely providing more money will allow the department to recover from the losses engendered by the reductions in awards." [43] Rather, Chelimsky believes that increased oversight is required to strengthen the information gathering function of OERI.

Alan C. Purves, who is chairman of the International Association for the Evaluation of Educational Achievement (IEA), testified that international assessments of student achievement conducted by his organization have suffered for want of adequate funding. According to Purves, the United States government has cut back drastically on its support of IEA in recent years, and has made no long-term commitment to fund its participation in the tests. Purves views this as unfortunate since IEA's databases are among the best in the world for making international comparisons. Purves believes that IEA's work is critical to improving educational systems worldwide. Yet because of a lack of commitment to IEA's efforts in the United States, the results of its assessments are not reaching American researchers.

James S. Coleman, Professor of Sociology and Education at the University of Chicago and author of the *Coleman Report* of 1966, [44] agrees with Purves that more researchers in the United States need IEA's data and that analysis of it should receive high priority. In his testimony Coleman cited IEA's recent preliminary report on international science achievement test results, *Science Achievement in Seventeen Countries: A Preliminary Report,* which documented the low level of academic achievement of American students.[45]

Coleman argues that because researchers focus more attention on teachers than students, "expenditures in education will be weighted toward direct transfers to schools, and from there to expenditures like summer salaries for teacher training, with a neglect of funding educational activities outside schools, or of giving educational consumers a voucher to invest (along with the child's time) in tutoring or another educational activity of their choosing." [46] Coleman recommends that the next administration redress this problem by restoring the Department's investment in educational R&D, including research on activities that take place outside the school

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[42] United States General Accounting Office, *Report to the Chairman, Subcommittee on Select Education, Committee on Education and Labor, House of Representatives,* "Education Information: Changes in Funds and Priorities Have Affected Production and Quality" (Washington, D.C.: GAO-PEMD-88-4, November, 1987).

[43] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Eleanor Chelimsky, April 20, 1988.

[44] United States Department of Health, Education, and Welfare, Office of Education, *Equality of Educational Opportunity,* James S. Coleman, el al. (Washington, D.C.: U.S. Government Printing Office, 1966).

[45] International Association for the Evaluation of Educational Achievement (IEA), *Science Achievement in Seventeen Countries A Preliminary Report,* (New York: Pergamon Press, 1988).

[46] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of James S. Coleman, April 20, 1988.

## MISSION

Mission is generally construed as an organization's statement of purpose. On the subject of mission, Gordon M. Ambach, Executive Director of the Council of Chief State School Officers, expressed the view that the federal educational research bureaucracy is fragmented because it lacks a mission oriented research agenda. To remedy this situation, Ambach recommended the goal of 100 percent high school graduation by the year 2000. In addition Ambach believes that educational R&D should be directed towards improved policy and practice, i.e., it should emphasize applied research. In order to sustain this mission, Ambach recommends that educational researchers be held accountable by making them demonstrate that their research has resulted in improved practice.

Susan Fuhrman, Director of the Center for Policy Research in Education, questioned whether the goal of a 100 percent high school graduation rate would actually improve the quality of education:

> We could have people going through three years in math and science and not necessarily address what they're learning in math and science, particularly with our current level of assessment and testing. So, we could have a 100 percent graduation rate with people passing basic skills test perhaps to graduate and not necessarily raise the level of the workforce to address the problems of the 21st century.[47]

Assistant Secretary, Finn provided some background on the current mission statement for U.S. education policy set forth in OERI's authorizing legislation, which reads in part as follows:

> The Congress hereby declares it to be the policy of the United States to provide to every person an *equal opportunity to receive an education of high quality* (emphasis added) regardless of his race, color, religion, sex, age, handicap, national origin, or social class. Although the American educational system has pursued this objective, it has not yet attained that objective. Inequalities of opportunity to receive high quality education remain pronounced [20 U.S.C. 1221(a)(1) (1972)].

According to Finn, this language was originally part of a message prepared by a White House task force, including himself and Daniel Patrick Moynihan, that was sent to Congress by President Nixon in 1970. Nixon's message advocated the creation of NIE, and Congress subsequently included the language in NIE's enabling legislation.

There was considerable discussion at the hearing on whether OERI has promoted its mission, with some witnesses arguing that the labs and centers devote less attention than they should to research on the education of disadvantaged youth. John E. Hopkins, however, believes that the labs and centers' contribution in this critical area has been underestimated. When asked what percent of his laboratory's activity is devoted to disadvantaged youth, Hopkins responded:

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[47] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Susan Fuhrman, April 21, 1988.

> I will tell you that at my laboratory the vast majority of our effort is devoted towards at-risk children, and I would put the figure at my laboratory at 75 or 80 percent of our effort.
>
> The reason for that is our funds are so slim that we only work on the highest-priority activities of the people with whom we partner, and their greatest concern is the advancement and benefit of at-risk children.
>
> Since that is their concern and our concern, we have no difficulty whatsoever in finding willing partners to work in this area, whether you're talking about field studies, whether you're talking about development or dissemination, technical assistance or training, the focus of our work is predominantly on at-risk children.[48]

Since no existing evaluations of the labs and centers or field initiated studies have addressed this question, it is not possible to determine to what extent federally funded educational R&D has focused on disadvantaged youth.

## STRUCTURE

### EXISTING SYSTEM

Another issue discussed at the hearings was the impact of organizational structure on the educational research process. The federal educational research apparatus consists largely of a system of regional educational laboratories, national research and development centers, and ERIC clearinghouses, which are coordinated by OERI. Judi Conrad, Associate Director of the ERIC Clearinghouse on Handicapped and Gifted Children and Chair of the Council of ERIC Directors, believes that the system suffers from fragmentation due to the absence of sufficient coordination at the national level. Fragmentation within the system of labs, centers, and clearinghouses is compounded by a lack of coordination among the state and local educational R&D agencies and private educational efforts.[49] Lack of coordination within the ERIC system, in particular, has created a multiplicity of databases that are fraught with duplication.

Susan Fuhrman, who represented the American Educational Research Association's Organization of Research Centers at the hearings, described the goal of national centers as "mission-oriented, systematic, programmatic research." Because of their institutionalized settings and long-term contracts, they are ideal vehicles for conducting longitudinal research. Fuhrman expressed unhappiness with the Department's newly-created mini-centers, because their narrow scope detracts from the broad-based missions associated with the larger centers. Fuhrman is also critical of the Department's use of cooperative agreements rather than grants to fund the mini-centers, arguing that because of the high degree of Departmental involvement in them, "cooperative agreements hinder creation of the stable and predictable environment that centers need to accomplish their long-term missions." [50]

One of the hearing panelists, Christopher T. Cross, chaired a Laboratory Review Panel (LRP) that was created in 1987 to help Assistant Secretary Finn in evaluating the regional labs, with a view towards their reauthorization in 1991. The LRP critique makes the following observations: (1) the missions of the labs as detailed in their plans are vague; (2) the methods by which the labs have determined their priorities are also unclear; (3) "with and through" strategy for servicing state education agencies needs further examination; (4) whether the labs should be proactive or reactive needs to be determined; (5) there appears to be little collaboration between the labs and other Departmental programs; (6) there is little collaboration among labs; (7) the labs provide few services to non-public schools; (8) the labs are subject to "over-regulation" and excessive reporting requirements from OERI; (9) the labs' funding mechanisms vary widely and need to be evaluated; (10) there are organizational and financial problems associated with the longevity of the labs; (11) the LRP is concerned about service strategies, financing and aspirations of three newer labs.[51]

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[48] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of John E. Hopkins, April 21, 1988.

[49] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Judi Conrad, April 21, 1988.

[50] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Susan Fuhrman, April 21, 1988.

The LRP's report includes the following recommendations for the Department: making programmatic realities more compatible with contractual requirements; eliminating long procedural delays in the Contracts Office; examining the labs' financial arrangements, including the use of fees to offset costs; making paperwork more relevant; examining the "with and through" strategy; examining the process of needs assessment; ensuring that OERI provides more coordination; examining the performance of the labs from the viewpoint of the field recipient.[52]

John Hopkins believes that the restructuring of OERI in 1985 effectively politicized its operations and that Congress should consider restoring the autonomy of OERI, just as it has done for the Center for Education Statistics in the recently enacted School Improvement Act of 1987. However, he also believes that prior to reauthorization, Congress should fund a commission such as the National Academy of Education or the National Academy of Science to "study new institutional arrangements for conducting educational R&D." [53] Following authorization of the structure(s), the Subcommittee should adopt a supportive rather than combative oversight role.

As part of this recommendation, Hopkins advocates the creation of a half dozen *national* laboratories modeled after the Argonne and Brookhaven labs that would undertake long-term research on entire problem areas. These labs would supplement rather than supplant the regional labs.

AFT President Albert Shanker agrees that politicization of OERI has hampered systematic educational research. However, he believes that this problem is not unique to the present administration:

> This peripatetic and politicized dance of priorities in educational research is not exclusive to the present Administration of the Department of Education and OERI,

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[51] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Christopher T. Cross, April 21, 1988.

[52] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Christopher T. Cross, April 21, 1988.

[53] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of John Hopkins, April 21, 1988.

> though it may be more extreme. It has been a problem at least since the creation of NIE, the forerunner of OERI, and has persisted despite various reorganizations.[54]

Elsewhere Shanker says:

> The history of our federal education research effort as incarnated by NIE and OERI has been a short, troubled, and turbulent one. It has been marked by a surfeit of politics, short-term thinking, a declining budget and declining confidence, and much demoralization. There is tragedy in that, not only because the promise was so great but because so much good work has indeed been produced.[55]

Given that these problems have persisted despite changing institutional arrangements, Shanker does not recommend yet another reorganization. Rather, he advocates reconsideration of the basic pedagogical paradigm which has provided the basis for educational practice since the inception of public schools in the United States. This paradigm drives a research agenda that seeks incremental improvement rather than wholesale change.

In Shanker's view, unwillingness on the part of both researchers and practitioners to embrace new models is unique to education:

> In any other field, for example, conflicting results or ambiguity signals a new point of departure, a redoubling of efforts. In education, it frequently spells the end of support for a line of research, a budget cut—or, at the very least, an occasion for ridicule . . . I know of no other fields save education whose structure, technology and basic ways of operating (and problems) have remained unchanged for over 150 years.[56]

Shanker proposes a commission to study the problems associated with educational research and to undertake a comparative analysis of how other federal R&D agencies conduct research in their respective fields. While he is not optimistic that the educational system will be transformed in the foreseeable future, he believes that a careful examination of the role of the federal government in educational research will substantiate his claim that the existing model is inadequate.

### PRIORITIES

Eleanor Chelimsky expressed concern about a fundamental shift in OERI's research priorities, which was documented in the GAO report, *Education Information:*

> First, not only was less information produced: we also found changes in priorities. For the National Institute of Education's portfolio of activities, there was a shift away from new data production to service-oriented activities, such as dissemination of results and the provision of expert witnesses in civil rights cases. Sixty-five percent of NIE's 1980 awards were for new data collection, but only 11 percent of the 1985 awards were dedicated to this function. In our view, this shift was so dramatic that the availability of up-to-date information to disseminate to teachers and other practitioners may be seriously jeopardized.[57]

While some of the shift in priorities can be explained by reductions in both the number and amount of research awards, some of it is attributable to management turnover during the 1980's. For example, research in the area of higher order thinking skills, was abandoned because: "Despite a 3-year effort to develop research proposals in this area—an effort that resulted in 30 proposals being recommended for funding by panels of experts—no awards were made. A change in directors had meant that this was no longer seen as a priority area." [58]

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[54] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Albert Shanker, April 20, 1988.

[55] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Albert Shanker, April 20, 1988.

[56] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Albert Shanker, April 20, 1988.

[57] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Eleanor Chelimsky, April 20, 1988.

James Coleman also expressed unhappiness with OERI's priorities. Coleman believes that educational research is skewed in favor of the producers of education, namely teachers, rather than towards children, who are the real consumers of education. Coleman commented that unless the direction of educational research is changed, ". . . The weight of expenditures of the Department of Education will be focused on matters of interest to the producers: expenditures on research will be weighted on research on *schools and teachers*, to the neglect of the study of children's learning (or not learning) outside school." [59] Coleman recommends that Congress redefine the Department's mission to encompass learning both in and out of school.

P. Michael Timpane, on the other hand, believes that the federal government has done a good job of identifying its educational research agenda. He cites literacy and reading, effective schools, bilingual education and school finance as areas in which it has achieved significant progress. Timpane recommends education of disadvantaged Americans, teaching and school reform, and learning as the most important priorities for educational research in the future.

Mary Hatwood Futrell, President of the National Education Association, does not share this sanguine assessment. Furthermore, she believes that the Subcommittee poses the wrong question when it asks whether the nation's research agenda reflects America's key education priorities: "A more fundamental question is whether America's education priorities reflect the conclusions of educational research." [60] In her view the nation's educational research agenda has suffered because teachers are excluded from the reform process and because the process has been overly politicized. Futrell believes that the problem of politicization can be corrected by striking a balance between field-initiated and Department-sponsored research. She also advocates research that evaluates existing educational reforms; that is applied rather than basic; and that emphasizes curriculum, cognitive theory, and the needs of "at-risk" students.

Howard University Professor Faustine Jones-Wilson's recommendations for educational research include more research on: effective teachers, principals and staff; evaluation and monitoring; networking among teachers, students, parents and administrators; curriculum; class size, grouping and class scheduling; parental volunteers; standardized testing; high school work-study; and educational philanthropy.

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[58] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Eleanor Chelimsky, April 20, 1988.

[59] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of James S. Coleman, April 20, 1988.

[60] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Mary Hatwood Futrell, April 20, 1988.

Nathaniel Semple of CED argues for research that explores the economic returns on education. He also listed several programmatic areas that warrant improved data collection and analysis: comparative data on educational achievement; adult learning deficiencies; employment readiness; international comparisons of educational achievement; and educational technology.[61]

### DISSEMINATION

The GAO report on Education Information documented an increased emphasis on dissemination of research findings at the expense of new data collection efforts. Nevertheless, experts both inside and outside of the Department remain dissatisfied with the results of the effort to translate promising research into improved practice. In a recent article, Assistant Secretary Finn commented, "[A]s of yet, much potentially valuable research information has made little impact on schools and classrooms. Perhaps this is because we have yet to come up with effective methods of translating research findings into forms that practitioners can use."[62] Faustine Jones-Wilson is particularly concerned about the lack of implementation of promising research findings developed under a whole host of programs for disadvantaged youth. Research results from the Perry Preschool, Head Start, Title 1, Chapter 1, Job Corps, and effective schools programs have been available for years. Yet, comments Jones-Wilson:

> My guess is that the average third grade teacher or average fifth grade teacher does not know what the research has uncovered, and the researchers in general do not go into the classrooms of our Nation to work with the teachers, so what we need here clearly is better articulation between the researchers and the information that they uncover, and the persons who are on the firing line who are supposed to implement those programs.[63]

In order to remedy this situation, Judi Conrad believes that a National Education Information Dissemination Policy is required. She also stated that:

> Implementation would have to be effected through a coordinating entity charged with responsibility for tracking the national RD&D efforts, analyzing the impacts of those efforts, communicating with all system participants, and otherwise promoting educational research, development, and dissemination as vital to the national welfare.[64]

### RESEARCH METHODS

At the OERI hearings, Charles Wallgren represented High/Scope Educational Research Foundation, one of the most respected institutions in the field of early childhood education and research. Wallgren related that High/Scope Foundation was created in 1970 by David P. Weikart to continue the work of the Perry Preschool Program and has received funding from both the federal government and private foundations.

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[61] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of Nathaniel M. Semple, April 20, 1988.

[62] Chester E. Finn, Jr., "What Ails Education Research," *Educational Researcher*, January/February, 1988, 8.

[63] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Faustine Jones-Wilson, April 20, 1988.

[64] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Judi Conrad, April 21, 1988.

To demonstrate its success in the area of early childhood intervention, Wallgren pointed to the results of a recent follow-up study of the Perry Preschool Program, which began in 1962. This study has revealed lower dropout rates, higher employment rates, fewer arrests and lower teenage birth rates among those who participated in the program. In addition a rigorous cost-benefit analysis demonstrated considerable taxpayer benefits in the form of reduced welfare payments and crime costs, as well as higher tax revenues garnered from program participants.

Wallgren provided the following description of High/Scope's model of longitudinal research; (1) research phase, consisting of experimentation at the local level; (2) development phase, consisting of curriculum development and teacher training; (3) demonstration phase, consisting of a single test at the local level; (4) dissemination phase, consisting of field testing at a number of sites; (5) implementation phase, consisting of regional implementation; (6) public policy phase, consisting of institutionalization of program at state and/or federal levels in consultation with corporate decision-makers.

Wallgren explained that the Perry Preschool Program was a success because it was based on solid research and developed a consistently positive set of findings, including a cost benefit analysis that provided useful information to decision-makers. Another reason for High/Scope's success has been the commitment of top level management and personnel policies which have encouraged staff to stay with the organization.

Michael Kaplan, who is Director of Basic Research at the U.S. Army Research Institute, described the R&D model employed by the Institute's training research laboratory which includes the following phases: (1) basic research; (2) exploratory development; (3) advanced development; (4) engineering or program development. In response to questions, Mr. Kaplan advised that his office has let:

> . . . some 60 research contracts, of which 80 percent have come to us from universities. We are approached by university scientists and others in very much the same way that the National Institutes of Health and the National Science Foundation are approached, and we review these proposals that we receive in an appropriate way for merit and for ultimate relationship to the applied programs that my institute has to deal with.[65]

Mr. Kaplan noted that training techniques developed by the Army Research Institute have been employed in a variety of settings, including General Motors and the State of North Carolina, and that the duration of its contracts is typically three years.

Manpower Demonstration Research Corporation (MDRC), another nonprofit corporation specializing in longitudinal research, was represented at the hearings by James Hyman, Vice President for External Affairs. According to Hyman, MDRC was established in 1974 by the Ford Foundation and the federal government to undertake demonstration research on voluntary education and training interventions for AFDC recipients. Since then it has undertaken social demonstrations of a number of different government-sponsored employment programs. Hyman believes that social demonstrations are useful in determining which programs "work." He defines a social demonstration as "a specific program model that is operated for a specified duration and subjected to rigouous evaluation to determine over some acceptable follow-up period, the impacts it has had on its participants."[66]

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[65] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of Michael Kaplan, April 21, 1988.

Hyman believes that demonstrations are most useful when: the solutions to problems are not already known; the problem has assumed national importance; the need for information about the problem and its solution(s) is critical; and there are only limited resources available to focus on the problem. Other requisites of useful demonstrations include: a solid research base; clearly specifiable and testable propositions; the demonstration must be practicable; demonstration sites must be carefully selected; technical and operational assistance must be available to site operators; and the demonstration must be carefully monitored.

In discussing the feasibility of using demonstration research to test promising education programs, Hyman believes that ethics is a key concern in that some educators may object to withholding the benefits of promising programs from children in control groups. Another problem is the long-term nature of educational follow-up studies. Nevertheless, Hyman believes "that demonstration research, properly applied and managed, can be a valuable tool for policy and program development in education. It allows for the formulation of policy and the implementation and design of programs on the basis of approaches proven effective as opposed to approaches merely deemed to be good ideas."[67]

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[66] Oversight hearings on the Office of Educational Research and Improvement [OERI], Testimony of James B. Hyman, April 21, 1988.

[67] Oversight hearings on the Office of Educational Research and Improvement [OERI], Statement of James B. Hyman, April 21, 1988.

## IV. SUMMARY OF ADDITIONAL DOCUMENTS

In order to enhance the status of educational research within the federal R&D establishment, it will be necessary to make a strong case for additional funding and changes in policy. GAO reports have documented both the funding cuts OERI/NIE has experienced since 1980 and the declines in quantity and quality of educational information that these cuts have produced. Another GAO report documents unacceptably high national dropout rates and the consequences of failing to graduate from high school. Reports produced by the International Association for the Evaluation of Educational Achievement (IEA) document the mediocre performance of American students on international tests and suggest that the problem is systemic. Various nonprofit organizations have produced reports evaluating the success of federally-sponsored programs for disadvantaged youth, including Head Start and JOB START. The *Journal of Negro Education* devoted its Summer, 1985 issue to effective schools for disadvantaged youth. Finally, the Rand Corporation produced a report that identifies the kinds of policies which are most likely to result in effective schools. A summary of these documents follows.

*R&D Funding: The Department of Education in Perspective*, GAO, 1988.

This recent General Accounting Office (GAO) report documents the underfunding of educational R&D relative to other departments within the federal government. It reveals significant declines in funding for educational R&D in both current and constant dollars between 1980 and 1987. GAO also documents substantial declines in funding for program evaluations undertaken by most Executive Branch departments including Education, which declined 34% in constant dollars between 1980 and 1984.[68]

*Education Information: Changes in Funds and Priorities Have Affected Production and Quality*, GAO, 1987.

This GAO report indicates that the federal government's role in sponsoring educational research and development and monitoring of academic achievement was seriously neglected between 1980 and 1985, and that leadership in this critical aspect of education was lacking due to dramatic turnover. For example, NIE had a total of seven directors between 1980 and 1986, and at least sixteen persons served in only five other top management positions during that period.[69]

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[68] United States General Accounting Office, *R&D Funding: The Department of Education in Perspective*, (Washington, D.C.: GAO/PEMD-88-18FS, May, 1988) 6.

[69] United States General Accounting Office, *Education Information: Changes in Funds and Priorities Have Affected Production and Quality*, (Washington, D.C.: GAO/PEMD-88-4, November, 1987).

The quality of educational R&D has suffered also. GAO found that the Common Core of Data (CCD), an information reporting system maintained by the National Center for Education Statistics (NCES), deteriorated markedly. For example, the *Digest of Education Statistics* published by NCES and based upon data from the CCD, is out-of-date and inaccurate.

It is evident from this GAO report that much of what was funded was already mandated by legislation, while studies that were not specifically required by law, such as a long-term evaluation of the impact of the Education for the Handicapped Act, were terminated.

*School Dropouts: The Extent and Nature of the Problem*, GAO, 1986

At the request of Education and Labor Committee Chairman Hawkins and Representatives Goodling and Hayes, the GAO produced a report on high school dropouts in the United States in 1986. This report analyzed data from the Current Population Survey (CPS), a monthly survey of the U.S. population sponsored by the Bureau of Labor Statistics and conducted by the Bureau of the Census. It also reviewed analyses of two ongoing national longitudinal surveys—High School and Beyond (sponsored by the Department of Education) and the National Longitudinal Surveys of Labor Market Experience (sponsored by the Department of Labor).

CPS data show that although the percentage of high school graduates has more than doubled in the past 40 years (and the percentage of college graduates more than tripled), it cannot be inferred that the graduates' educational achievements have remained the same. In fact, there is evidence that in the late 1960's and in the 1970's, there was considerable decline in high school students' achievements.[70]

One of the national longitudinal surveys show that the drop-out rate for youth from households with low-income, low-skill wage earners and limited educational backgrounds was about three times the rate of those from the highest end of the socio-economic scale.[71]

Additionally, GAO is concerned about the high dropout rate among minority youth: "While the data we reviewed show that youth are far more likely to complete high school today than 20 years ago, the proportions of dropouts, especially poor youth and blacks and Hispanics, is an issue warranting the attention of the education community." [72]

The economic consequences of dropping out are profound. For example, according to CPS data for October 1985, about 1 in 4 dropouts ages 16-24 were unemployed, compared with about 1 in 10 high school graduates who were not enrolled in school.[73]

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[70] United States General Accounting Office, *School Dropouts: The Extent and Nature of the Problem*, (Washington, D.C.: GAO/HRD-86-106BR, June, 1986) 5-8.

[71] United States General Accounting Office, 9-10.

[72] United States General Accounting Office, 13.

[73] United States General Accounting Office, 22.

*Science Achievement in Seventeen Countries: A Preliminary Report,* International Association for the Evaluation of Educational Achievement, 1988.

Between 1983 and 1986 the International Association for the Evaluation of Educational Achievement (IEA) tested the science achievement of students in some seventeen countries, primarily from among industrialized nations in the free world. The tests were administered to ten year olds, fourteen year olds and those completing their final year of high school. These groups were designated Population 1, 2 and 3 respectively. In Population 3, separate tests in biology, chemistry and physics were administered to students taking science courses. Scientific sampling techniques were employed to ensure that the results fairly represented the populations surveyed.

Results from IEA's preliminary report indicate that while Japan, Korea and Hungary (one of only two socialist countries participating in the study) excelled at the elementary level, England and two of its former colonies, Hong Kong and Singapore, excelled at the Population 3 level. U.S. students, on the other hand, did poorly at all levels. For example, the vast majority of schools in the U.S. scored below the mean of the lowest scoring schools in countries that excelled in biology and physics. Among the nations surveyed, only schools located in Italy performed worse than U.S. schools.[74]

*The Underachieving Curriculum: Assessing U.S. School Mathematics from an International Perspective,* International Association for the Evaluation of Educational Achievement, 1987.

The findings from IEA science tests parallel those of mathematics achievement tests sponsored by IEA In 1982 as part of the Second International Mathematics Study. These tests surveyed eighth and twelfth graders (designated as Population A and population B, respectively) in twenty countries, including the U.S. Some of the principal findings of this study, which were published in a report funded by the National Science Foundation in 1987, are summarized below.

Japan obtained the highest scores in the five subject areas included in the Population A test—arithmetic, algebra, geometry, statistics and measurement. By contrast U.S. students performed at or below the international average in all subjects except computational arithmetic. Also, U.S. eighth graders performed worse that U.S. participants in the First International Mathematics Study conducted twenty years earlier.[75]

The Second International Mathematics Study also documented that the mathematical yield—defined as the product of the proportion of high school students enrolled in mathematics courses and how much they know—is very low for U.S. students, only three percent of whom take calculus. Experts were also concerned about the slow pace of mathematics instruction in the U.S. In the U.S. grade schools mathematics is dominated by arithmetic instruction and high school mathematics by algebra instruction. In Japan, by contrast, the mathematics curriculum is dominated by algebra at the eighth grade level and calculus at the twelfth grade level.

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[74] International Association for the Evaluation of Educational Achievement. *Science Achievement in Seventeen Countries: A Preliminary Report,* with a Preface by Alan C. Purves (Elmsford, New York, Pergamon Press, 1988).

[75] Curtis C. McKnight, et al., *The Underachieving Curriculum: Assessing U.S. School Mathematics from an International Perspective* (Champaign, Illinois: Stipes Publishing Company, 1987) vi–viii.

To correct these deficiencies, the report recommends a fundamental revision of U.S. mathematics curriculum, including: elimination of excessive repetition of topics; broadening of the curriculum in junior high school with topics in geometry, probability and statistics, as well as algebra; increasing the proportion of students enrolled in advanced mathematics; incorporation of curriculum changes into mathematics textbooks; and professionalization of the mathematics teaching career.[76]

*Changed Lives: The Effects of the Perry Preschool Program On Youths Through Age 19,* High/Scope Educational Research Foundation, 1984.

Probably one of the most successful nonprofit corporations to influence government education policy in recent years is the High/Scope Educational Research Foundation, which evaluated the Perry Pre-School Program implemented by the school district of Ypsilanti, Michigan between 1962 and 1967. The Perry Preschool Program was premised on the assumption that early childhood intervention could improve the intelligence, aptitude and academic performance of disadvantaged youth. Though this assumption has been challenged time and again by critics of the Perry Preschool Program and the nationwide Head Start program that it helped to spawn, this recently published longitudinal study of the effects of the Perry Preschool Program on participants through age 19, indicates that the impact was substantial. Not only did the program have a positive immediate impact on participant IQ levels, it demonstrated significant long-term impacts in the areas of education, employment and social responsibility.[77]

*Launching JOBSTART,* MDRC, 1987.

Another nonprofit corporation with proven expertise in the field of demonstration research is the Manpower Demonstration Research Corporation (MDRC), which has undertaken a number of key social demonstrations since its formation in 1974. At that time MDRC was commissioned by the federal government with financing from the Ford Foundation to study the effects of supported work initiatives [voluntary work for welfare recipients]. More recently MDRC was commissioned by the Labor Department to evaluate the results of providing job training and remedial education to high school dropouts under Title IIA of the Job Training Partnership Act of 1982 (JTPA) in a demonstration called JOBSTART. The target population consists of over one thousand economically disadvantaged high school dropouts between the ages of 17 and 21, who demonstrate below eighth grade reading levels.[78]

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[76] McKnight, xii-xiv.

[77] John R. Berrueta-Clement, et al., *Changed Lives: The Effects of the Perry Preschool Program on Youths Through Age 19,* with a Preface by David P. Weikart, Monographs of the High/Scope Educational Research Foundation, no. 8 (Ypsilanti, Michigan: High/Scope Educational Research Foundation)

*The Journal of Negro Education*, Summer, 1985.

This journal devoted its Summer, 1985 issue to a discussion of "effective schools," a term that connotes those urban schools that "can effectively teach youngsters who have been categorized as 'underprivileged,' 'disadvantaged,' or 'underachievers.' "[79]

One of the contributors, Wilbur B. Brookover, comments that the perception of minority schools as somehow ineffective is a function of the ethnocentricism of our society, which encourages whites to brand as inferior any groups that fail to perform satisfactorily on IQ tests and norm referenced achievement tests. Brookover asserts that the notion "ineffective schools" is itself a biased concept employed by the dominant culture in order to reinforce racial stereotypes. Racial stereotyping has replaced overt segregation as a means of denying equality of educational opportunity to minority students.[80]

Barbara Sizemore, author of, "Pitfalls and Promises of Effective Schools Research," was one of three researchers who undertook a study funded by NIE in 1980 to determine why three high achieving predominantly black public elementary schools in Pittsburgh, Pennsylvania, had defeated the common stereotype that blacks are intellectually inferior and culturally deprived, and that their schools are inefficient, underfunded and ineffective.[81] The findings, which were published in *An Abashing Anomaly*, identify the success of these schools.[82]

Some educational researchers believe that the goals of the effective schools movement and those of the school reform movement are inherently antithetical. Beverly Caffee Glenn shows that many advocates of school reform think that equality of educational opportunity and getting a quality education are mutually exclusive goals.[83]

While many educational researchers devote their energies to the question of how the schools can better address the needs of disadvantaged youth, E. Gnanaraj Moses, in his "Advantages of Being Disadvantaged: A Paradox," argues that gifted children can often surmount and even benefit from the hardships of a disadvantaged background. Moses asserts that poverty-stricken children are encouraged to become more self reliant and creative because they lack the material advantages of other youth. Poverty itself acts as a motivator in these children.[84]

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[78] Patricia Auspos and Marilyn Price, *Launching JOBSTART: A Demonstration for Dropouts in the JTPA System* (New York: Manpower Demonstration Research Corporation, 1987).

[79] Faustine C. Jones-Wilson, "Editorial Comment: A Right to Education?" *Journal of Negro Education* 54 (Summer, 1985): 255.

[80] Wilbur B. Brookover, "Can We Make Schools Effective for Minority Students?" *Journal of Negro Education* 54 (Summer, 1985): 262-63.

[81] Barbara A. Sizemore, "Pitfalls and Promises of Effective Schools Research," *Journal of Negro Education* 54 (Summer, 1985): 271.

[82] Barbara Sizemore, et al., *An Abashing Anomaly: The High Achieving Predominantly Black Elementary School* (Washington, D.C.: National Institute of Education, Grant #G-80-0006, January 1983).

[83] Beverly Caffee Glenn, "Excellence and Equity: Implications for Effective Schools," *Journal of Negro Education* 54 (Summer, 1985): 290.

[84] E. Gnanaraj Moses, "Advantages of Being Disadvantaged: A Paradox," *Journal of Negro Education* 54 (Summer, 1985): 337.

*Steady Work: Policy, Practice and the Reform of American Education,* RAND Corporation, 1988.

The authors draw central lessons from recent attempts to reform schools through the use of public policy. They high-light the fact that mistakes of past public policy making can be remedied by strenghtening the connection between policy makers and practitioners.

Reviewing the history of federal educational reform efforts since the 1960's, the authors give policy makers a mixed report card. Studies evaluating some of these initiatives indicate that they were most successful when they adopted a "problem solving" approach in using federal money, and were locally based, relying on local personnel to administer and develop new programs. The authors conclude that policy makers should be sensitive to the needs of practitioners, ". . . using policy less to mandate resource allocation, structures and rules, and more to initiate development. It means commissioning people to work in real schools to fashion workable solutions to real problems, allowing those solutions the opportunity to fail and the time to succeed." [85]

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[85] Richard F. Elmore and Milbrey W. McLaughlin, *Steady Work: Policy, Practice and the Reform of American Education* (RAND Corporation, 1988): 61.

# APPENDIX A

## TOWARDS A VITAL MODIFICATION OF OERI TO MAXIMIZE INSULATION FROM PARTISAN INTERFERENCE AND EXECUTIVE ABUSE

The following discussion examines the possibility of placing an educational research, development and dissemination function within a new administrative and policy-making context.

### PRELIMINARY ANALYSIS

Over a half a century of federal involvement in educational research has taught us that there are a few significant ingredients necessary for a successful educational research enterprise to flourish. One necessary element is broad bipartisan agreement as to goals of educational research, goals which are also shared by the educational community. A second component is an administrative structure that enables the executive branch to translate that consensus into effective programs. A third factor is a group of capable administrators, "educational research managers," who understand the limits as well as the potential of educational research, and are able to articulate the needs of the relevant programs to Congress. It has been well documented elsewhere that those ingredients have not always been present at any one time.[86] In order to place OERI on a sound footing it will be important to learn from past mistakes and focus on how to carefully rebuild an agency desperately in need of stability, one that will be able to plan ahead to face the tremendous challenges of the next century.

A short review of the recent history of federal involvement in educational research reveals that it was the intent of Congress from the beginning to create a depoliticized educational research agency. The Director of the Institute was to be selected by the President and confirmed by the Senate. Additionally, a 15-member advisory council nominated by the President and confirmed with the advice and consent of the Senate, was authorized to set policy as well as review the conduct of the new agency. The early history of the board was a troubled one. The Secretary of HEW was interested in imposing his imprimatur on the board, and the nominating process was fraught with conflict and delay. The stakes for membership to the board were higher than most such entities as it was policy-making and subsequent appointments brought into play the preferences and pressures of the Secretary, the Assistant Secretary, the NIE director, education interest groups, the White House personnel office and Congress. Whereas Congress intended to create a representative body, the reality was somewhat different. It was difficult, for example, to term the first NCER as "representative" when there was no representation from the two national teacher associations, the foundation community, Chief State School Officers and State Boards of Education. Part of the failure of NIE to make its case before Congress can be partly attributed to NCER's inability to secure the support of the wider educational community.[87]

Although NIE was reorganized in 1986 partly in response to some of the difficulties experienced by the agency, its successors, the Office of Educational Research and Improvement (OERI), added a new set of difficulties without solving some of the basic structural problems noted above. The amendments proposed by the administration and approved by the 99th Congress theoretically enabled the coordinated collection and dissemination of research data and reports by placing all educational research and development and related activities into one office. However, the price of this new efficiency of operations was high. By granting so much authority to the

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[86] L. Sproull, S. Weiner, and D. Wolf, *Organizing an Anarchy: Belief, Bureaucracy and Politics in the National Institute of Education* (Chicago, University of Chicago Press, 1978) and R. Dersheimer *The Federal Government and Educational R&D.*, (Lexington, Lexington Books, 1976).

[87] Sproull et al., 85.

Assistant Secretary, it politicized the Office of Educational Research even further and reduced the only possible counterweight to the Assistant Secretary's power, NCER, to advisory rather than a policy-making status.

The effects of centralizing so much power in the hands of one person were quickly felt in many areas. For example, the newly reauthorized Center for Educational Statistics (CES) was criticized for not producing reliable and impartial statistical information and this led the prestigious National Academy of Sciences (NAS) to conclude in a 1986 report that unless there were "wide-ranging actions to change both the image and reality of the Center, we are unanimous in our conviction that serious consideration should be given to abolishing the Center and finding other means to obtain and disseminate the education data." [88] Subsequently, the 100th Congress endorsed the NAS recommendation that the center be given quasi-independent status within the Department of Education. Similar concerns as to OERI's susceptibility to political pressures, have informed the writing of this report.

The Subcommittee hearings exposed another set of weaknesses: the research agency's inability to coordinate with other relevant federal offices performing pertinent educational research and OERI's lack of support for long-term research. These latter problems, although more endemic to the business of federal educational research policy-making rather than directly due to the recent reorganization, remain to be seriously addressed. Prior efforts to deal with the questions of how to increase coordination such as the Federal Interagency Committee on Education (FICE), created under the provisions of the Education Organization Act of 1979, have not met with great success.[89] Currently, representatives of twelve agencies or departments meet no more than four times a year, and work through subcommittees that meet on a monthly basis to discuss overlapping concerns. Through these subcommittees and the full committee, FICE studies and recommends coordinated federal educational efforts to ensure: consistent administrative policies; effective interagency communication to avoid duplication; and coordination of similar programs to improve efficiency and service delivery. After eight years of functioning, the realistic capacity of such an interagency group to bring about meaningful change is open to question. To cite just one example of the ongoing problems, the Department of Education funds educational clearinghouses which, in some cases, overlap in subject-area scope with ERIC clearinghouses, administered through OERI. These clearinghouses do not coordinate their informational dissemination activities and do not even share categorization systems.[90] The waste of resources seems even more dramatic when it is considered that the military spends five times more than the civilian sector on educational technology and none of that information is disseminated through the ERIC system.[91]

### PROPOSAL FOR AN INDEPENDENT EDUCATIONAL RESEARCH, DEVELOPMENT, AND DISSEMINATION BOARD

The foregoing analysis indicates that in order to foster a healthy educational research, development, and dissemination system, the agency charged with that responsibility requires a significant degree of insulation from partisan interference. Once the office is insulated from the partisan pressures that inevitably come when the agency is located too close to the Secretary's Office, the research products of the agency can be provided greater legitimacy and credibility. NASA, NIH and NSF—the federal research agencies that have been more successful in attracting federal funds comensurate with the importance of their research activities—all share administrative mechanisms that allow research goals to be planned on a long-term basis. Additionally, because key stakeholders are given a role in helping to shape policy either through an advisory board structure (as is the case of the National Institutes of Health) or through a governing board (as is the case of NASA and the

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[88] House of Representatives Report 100-95, "School Improvement Act of 1987," 97.

[89] Public Law 96-88, Department of Education Organization Act of 1979.

[90] There are, for example, three clearinghouses funded by the Department of Education devoted to some aspect of special education: the National Clearinghouse for the Education of the Handicapped; the National Clearinghouse for Postsecondary Education of the Handicapped; and the National Clearinghouse on Careers and Employment in Special Education, which apparently do not communicate with the ERIC clearinghouse devoted to Handicapped and Gifted Children, or the ERIC clearinghouse on Audit, Career and Vocational Education. Nor does the ERIC clearinghouse on Languages and Lingusitics correspond with the Department of Education's Clearinghouse on Bilingual Education.

[91] United States Congress, Office of Technology Assessment, *Power On: New Tools for Teaching and Learning*, September, 1988, 27, and testimony of Judi Conrad, United States House of Representatives, Subcommittee on Select Education, Committee on Education and Labor, Hearings on the Office of Educational Research and Improvement, April 21, 1988, 117.

National Science Foundation), there is the possibility of greater coordination taking place between the representative agencies on the board.

The National Science Board (NSB), which helps to set policy for the National Science Foundation, provides one potential model for a reconstituted educational research advisory council. The NSB consists of 24 public members chosen from among the scientific, academic, and business communities and the Director of the NSF, who serves as an ex-officio member of the Board. NSB members are appointed by the President, with the advice and consent of the Senate, serve on a part-time basis for six year terms. The National Science Board was established to provide the National Science Foundation with a:

> . . . consensus generating body—a body which reconciles the independence of science with public demand for accountability in determining priorities for Federal research expenditures. . . . The board's major function was "to maintain the integrity of NSF, including ensuring that senior officials are not chosen for partisan political reasons, keeping staff accountable, to the external scientific community, and ensuring the objectivity of the peer review process.[92]

According to Dr. Philip Handler, former NSB Chairman, and until 1981 the President of the National Academy of Sciences, an important "informal function" of the body, was to ". . . shield the director and his staff from the furious gusts of political change." [93]

A new educational research, development and dissemination board would seek to combine many of the features of the NSB that have helped to preserve NSF's world-renowened integrity, as well as provide an opportunity for greater coordination among federal agencies. To ensure that the new board does not suffer the same fate as the old NCER and become the victim of Executive Branch delays, Congress should prohibit the expenditure of any funds until the new board has been fully constituted.

The board should be responsible for setting priorities, as well as long-term and short-term goals for the educational research mission. Additional functions should include responsibility for assessing peer-review competitions, evaluating the research products, as well as reviewing appeals hearings.

Membership, limited to a maximum of 29, could be composed as follows:

1. Executive membership: the Directors of Research for the Departments of Defense and Labor, Assistant Secretary for the Office of Educational Research and the Secretary for Education as well as the Directors of the National Science Foundation, National Institutes of Health, the National Endowment for the Arts, the National Endowment for the Humanities (NEH) as well as the Librarian of Congress.
2. One representative from each of the two major national teacher associations and one representative of a national parents organization.
3. One representative from the Chief State School Officers, and one from local school superintendent associations.
4. One representative from the Foundation community.
5. Six representatives from private industry: two to be appointed by the President; one appointed by the majority and minority leaders of the House and Senate.
6. Remaining representation to be drawn from the educational research community; one to be appointed by the majority and minority leaders of the House and Senate and three to be appointed by the President.
7. The Board would be chaired by the Vice President of the United States in order to accord it the appropriate prestige and status.

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[92] Congressional Research Service, United States Library of Congress, "The National Science Board: Science Policy and Management for the National Science Foundation, 1968–1980," report for the Subcommittee on Science and Technology, January, 1983.

[93] Philip Handler, Testimony before the United States House of Representatives, Committee on Science and Technology, May 1979, 24.

# APPENDIX B

## ADDITIONAL CONCERNS WITH RESPECT TO THE PROPOSED CENTER FOR THE EFFECTIVE EDUCATION OF THE DISADVANTAGED

Many of the witnesses at the April hearing confirmed the need for new initiatives with respect to the education of the disadvantaged, as well as the urgency of ensuring that any planned new center is politically, financially and intellectually well placed to meet the massive challenges faced by the systems and schools attempting to serve students in this category. Because it is so important for the nation to fund a research center that properly addresses this area as effectively as possible, the details of any proposal should be carefully developed and scrutinized. A rush to fund a hastily conceptualized RFP must be avoided. Unfortunately, the Department of Education has published an RFP which ignores these basic principles. The guidelines set forth in this RFP appear to have been hastily conceptualized and were published in flagrant opposition to the carefully developed consensus of experts in this field. The Department of Education should withdraw this RFP until these experts have been consulted. The failure to do so will result in the funding of a tarnished new organization which will not have the confidence of the education community and will have little chance for long-term survival.

Clearly, schools can and must make a difference in improving the educational opportunities for disadvantaged children. Indeed, the research which undergirds the effective schools movement began by identifying schools which were successfully educating socio-economically disadvantaged children despite the numerous obstacles the schools and the children faced in accomplishing this mission. Research which simply documents the obstacles to educating disadvantaged children, without providing specific suggestions or alternatives or usable knowledge about the success or failure of attempts or practices, fosters a fatalism and cynicism which is unwarranted in light of this evidence and detrimental to progress in this area.

A new Center for the Effective Education of the Disadvantaged should have a broad charge. It should not be bound by the parameters which have limited the other twenty centers; instead it should have maximum flexibility to employ new operational approaches.

There should be four distinct phases in the development of the proposed Center (As recommended in a letter from Congressmen Hawkins and Owens to Assistant Secretary Finn):

### PHASE I

Immediately, independent researchers should be invited to submit papers and proposals which will help us establish parameters, set priorities and narrow the focus of the mission, goals, and objectives of a National Center-Laboratory. The present RFP and its related process should be abandoned.

### PHASE II

The unique research function of this Center should be firmly established. Overlap with existing federally funded educational research on the disadvantaged should be avoided. Macro-research on the impact of school management; the governance of school systems; the impact of the community environment; the impact of related government policies, etc., are subject matters which might be emphasized.

### PHASE III

A set of collaborative goals and activities—involving the existing centers and laboratories—should be developed in order to maximize the Center's effectiveness in promoting the effective education of disadvantaged children.

### PHASE IV

The unique and supplemental laboratory function of the new Center should be developed. Such a function might include launching demonstration projects which encompass all or parts of urban school systems.

The Center should be located in Washington, D.C. to underscore its national focus. It should, in time, become a freestanding, quasi-public organization, in order to provide it with a funding base which can improve the likelihood that top scholars, disseminators, and policy and program experts may be recruited and maintained and which might enhance its ability to fund long-term projects.

Since more than two decades of awarding grants in accordance with the conventional standards and procedures of grantsmanship has failed to produce meaningful results for the principal targets of the federal legislation—the disadvantaged—it is imperative that the process of awarding grants be altered extensively. One important modification for consideration in awarding new OERI funds in general and grants to assist the disadvantaged in particular is the adoption of new additional standards for grantee capability:

### PROPOSED CRITERIA FOR GRANTEE CAPABILITY

*I. Experience with and exposure to disadvantaged students*

More than 20% Disadvantaged Student Enrollment

Presence of an active recruitment program for disadvantaged students

Evidence of institutionalized academic support programs for disadvantaged students

Prior experience working with disadvantaged students in public schools

Prior experience working with leaders of communities where disadvantaged students reside

*II. Faculty research experience and demonstrated sensitivity*

Evidence of recent commitment of the department and the institution prior to applying for grant

Significant percentage of faculty is of the same background as the disadvantaged group to be served

Substantial number of education department faculty members whose areas of specialization are relevant to the problems of the disadvantaged

A significant quantity of relevant papers, books and other products have been produced by the faculty

*III. Demonstrated board and executive awareness and sensitivity*

Some persons serving on the institution's policy board have backgrounds similar to the disadvantaged students to be served

Evidence of recent policy decisions and special initiatives which deomonstrate concern for the disadvantaged

Significant percentage of persons with disadvantaged backgrounds in executive and middle management positions

Significant percentage of the overall staff is of the same background as the disadvantaged group to be served

A history of previous involvement of the institution with programs and projects which impact favorably on the disadvantaged group to be served

P. B9

# Education Researchers Vexed by Lack of Impact

By AMY STUART WELLS

When medical researchers announce that a low-cholesterol diet might lower the risk of a heart attack, the public clamors for oat bran muffins and quits eating eggs. But what happens when educational researchers announce that they have proved that a special tutoring program has long-lasting positive effects on students' reading ability?

Nothing much.

Few people demand that their local schools switch to the new technique and fewer still try to seek out any schools that may already be using the breakthrough program.

That such research tends to have little impact on the way teachers and principals go about their business has become the bane of some educational researchers. Those who use what they maintain are scientific methods, like controlled experiments, in studying education say they are especially annoyed.

### Predicting Programs' Effects

They argue that they can predict the effects of changes in curriculum or teaching methods on students' performance as accurately as clinical researchers can correlate the effects of diet or smoking with heart attacks or lung cancer. While little research in any field offers 100 percent certainty, educational researchers say many of their findings, if put into place, would undoubtedly lead to better schools.

"It is obvious to everyone that you do research in engineering before you go into mass production," said N. L. Gage, a professor of education at Stanford University. "It does not seem to be so obvious to everyone that you do that in education."

Professor Gage is the author of "The Scientific Basis of the Art of Teaching" (Teachers College Press, 1978). In the book, he said, he was able to demonstrate that the cause-and-effect relationship between smoking and lung cancer was statistically smaller than the relationship between teacher behavior and student achievement.

Paradoxically, many of the critics of educational research are themselves educational researchers. They contend that education is not a science and cannot be measured as such. Further, they say, research findings can play only a minor role in how schools are run by providing teachers and principals with ideas of what might work in a given situation with a given group of students.

### Shaping Future of Field

"Teaching is an art, and the good teachers don't always even know what they are doing," said Gary A. Cziko, associate professor of educational psychology at the University of Illinois at Urbana-Champaign.

Several recent articles in education journals, including one by Professor Gage in the October issue of The Educational Researcher, suggest that the debate is heating up as the relatively young field of educational research tries to define its future direction and sources of support.

Much educational research is still emerging and has not received the kind of consistently high financial support for the kind of large-scale, long-term studies typical of medical research.

In fact, in September the Department of Education announced new priorities for the 19 national educational research centers. The change threatens the existence of two long-standing centers and has led some educational researchers to suggest that their work has not been adequately recognized.

After major cuts in Federal spending on educational research and development in the mid 1980's, there has now been a slight increase, to $153 million for 1989 from $103 million in 1983. This is still less than the all-time high of $154 million in 1982, and researchers complain that the educational research and development budget is still less than 1 percent of the total budget for the Department of Education.

The argument over the value of educational research is part of the age-old discussion of whether the "soft" sciences, like psychology and education, can predict the behavior of humans in given situations.

Educational and other research in the social sciences have become more sophisticated in the last 20 years, and education experts point to progress in measuring and predicting certain phenomena in the schools.

Larry V. Hedges, chairman of the education department at the University of Chicago, even goes so far as to compare findings of several studies in particle physics with those of education studies, including effects of teachers' expectations on students' I.Q. scores and effects of school desegregation on achievement by black students.

"The key is that in both the physical and social sciences, where the same procedures have been applied, the differences in the results in the social science experiments were not substantially larger than those in physical experiments," he said.

### Reading Study Is Cited

One study that many researchers say yielded significant results was done at Ohio State University on the long-term effects of a specialized accelerated tutoring program to help students catch up to the reading level of peers. The study, the Reading Recovery Project, examined 184 first-grade students who ranked in the bottom 20 percent in reading scores at 12 elementary schools in Columbus. Two-thirds of the students were randomly assigned in 1985 to the program and the rest to a comparison group that received no special instruction.

Of the students who participated in the one-year program, 41 percent scored above grade level in reading and understanding on standardized tests, as against 11 percent of the control group.

By comparison, a clinical medical study at Northwestern University found that levels of cholesterol in the blood stream could be reduced by a diet that included oat bran. In the 12-week study of 238 adults, half ate a low-fat diet and 2 ounces of oatmeal a day, while the other half ate only the low-fat diet and no oatmeal. The oatmeal eaters reduced their average serum cholesterol level by a little more than twice as much as non-oatmeal eaters.

Education researchers say their point is not to compare cholesterol levels and reading scores, although the findings of both studies were considered statistically significant. But they note that while the oat bran study was one of several that led food makers to put the bran in everything from waffles to snack chips, the reading program is now in use in only 255 of the nation's 15,577 school districts.

A major problem with attempts to prove the veracity of educational research is that studies are typically conducted on a small scale, mainly because of a lack of money. And yet a major reason that educational researchers receive less support is that for the most part, they conduct small-scale studies with sometimes questionable results.

One result is that there has been an abundance of small studies that seem to support opposing views on nearly all critical educational issues, holding students back in school versus social promotion, bilingual education versus immersion in English language programs, and remedial classes versus accelerated studies.

Still, Robert Slavin, a researcher at the Center for Research on Elementary and Middle Schools at Johns Hopkins University, said teachers wanted to become more "informed practitioners" like medical doctors. "A physician has to use a lot of judgment, but they want the research," he said. "They need it and they use it."

The center, which received $1.1 million in Federal money this year, is one of the national research sites that stand to lose their support from the Education Department.

But Kathleen D. Carroll, an elementary schoolteacher in the District of Columbia school system and winner of several awards for innovation in teaching, says many teachers teach the way they did 20 years ago because they do not have access to new information.

"Most teachers just don't have the opportunity to see that cutting-edge ideas exist," said Ms. Carroll, who is on sabbatical conducting workshops to train teachers in new research-based techniques.

She said many teachers did not realize that the current push toward school improvement and greater autonomy for teachers had created a more open atmosphere for those who want to try new classroom methods.

"The teachers say the superintendent or the principal will never let us do this," Ms. Carroll said. "And I tell them not only will they let you, but they are asking us to do it. They want us to try new things."

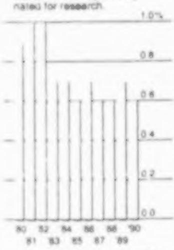
ALL STUDENTS ARE
GIFTED;
SOME JUST
OPEN THEIR
PACKAGES
EARLIER
THAN OTHERS

Most teachers teach the same way they did 20 years ago because they do not have access to new information, said Kathleen D. Carroll, an elementary teacher in the District of Columbia school system and winner of several awards, including the National Science Teachers Association award for innovation in teaching.

Some say valuable data on improving education are going to waste.

**Less Money For Research**

Percentage of the Education Department budget designated for research.



Source: General Accounting Office

The New York Times Nov. 1, 1989

# Vermon
# Illiteracy

MENDON, Vt. — Ed Mc
some advice for Vermont
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money, all your best tea
the first six grades. No
leave the sixth grade wit
ing how to read."

Mr. McAuley, of Barre
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without being able to read

As he addressed Co
Richard Mills, Mr. McA
about 250 other people wh
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of illiteracy. They were ga
on Oct. 17 in the first sta
vention of illiterate adult
the participants were stud
state's Adult Basic Edu
gram, which means they
way to overcoming their
handicaps.

Conference organizers a
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they were adults who we
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received support and encou
from others like themselve

State Literacy Pro

The idea for the confere
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out of discussions among
Adult Basic Education
the Vermont Reading Pro
Vermont Council on the Hu

The logistics were dau
Sally Anderson, director
ing project. "Many of the
don't have telephones or
have small children. We t
about how to get the wo
then how to get them here

Buses and baby sitters
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council and a grant from
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students came.

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adults within 10 years. A
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statewide conference "ju
like the best next step,"
Swenson, director of the
council.

Many of the participa
clutching copies of "The G
Hopkins" (Harper & Row)
winning children's book by
Paterson. For some, this
smart, but angry foster ch
first book they had read
were thrilled that Mrs. P
resident of Barre, was one
ference speakers.

IF YOU WANT
CAREER TO GL
GO BACK TO S
FOR A COUPLE

Whether you're looking to advance
your present career, or launch a
whole new career, start by spending
a couple of hours at New York
University's School of Continuing

# New Program Will Train Minority Teachers

By JULIE JOHNSON

Special to The New York Times

WASHINGTON, Oct. 31 — Reflecting concern about the sharp declines

out their high school years to "stimulate them to enter a college as an education major."

The students will also receive guid

percent are Hispanic or belong to other minorities, said Antoine M. Garibaldi, Xavier's dean of arts and sciences, who has studied minority

2086

**United States General Accounting Office**

GAO

Report to the Chairman, Subcommittee on Select Education, Committee on Education and Labor, House of Representatives

May 1988

# R&D FUNDING

## The Department of Education in Perspective

GAO/PEMD-88-18FS

GAO
United States
General Accounting Office
Washington, D.C. 20548

Program Evaluation and
Methodology Division

B-226398

May 13, 1988

The Honorable Major Owens, Chairman
Subcommittee on Select Education
Committee on Education and Labor
House of Representatives

Dear Mr. Chairman:

As you requested in November 1987, this fact sheet provides two types of information. First, we compare the history of fiscal resources for research and development in the Department of Education with budget histories of research and development in other departments and agencies. As requested, we have disaggregated information for defense-related and nondefense-related agencies. We have also included comparisons of budget resources for the Department of Education's statistics and evaluation functions with resources available for similar activities in other departments and agencies. Second, we describe the correspondence between administration budget requests and congressional appropriations for education research and statistics. Data for this fact sheet were compiled from our documents and executive agency and congressional documents, and they were supplemented by interviews with agency officials when clarification was necessary. Our analyses cover selected years between 1978 and 1988.

As you requested, we did not obtain formal agency comments. As agreed with your office, we plan no further distribution until 10 days after the issue date, unless you publicly announce the contents earlier. We will then send copies to others who are interested and make copies available to others who request them. Further information can be obtained by calling me at 275-1854 or Lois-ellin Datta at 275-1370.

Sincerely yours,

Eleanor Chelimsky

Eleanor Chelimsky
Director

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Section 1

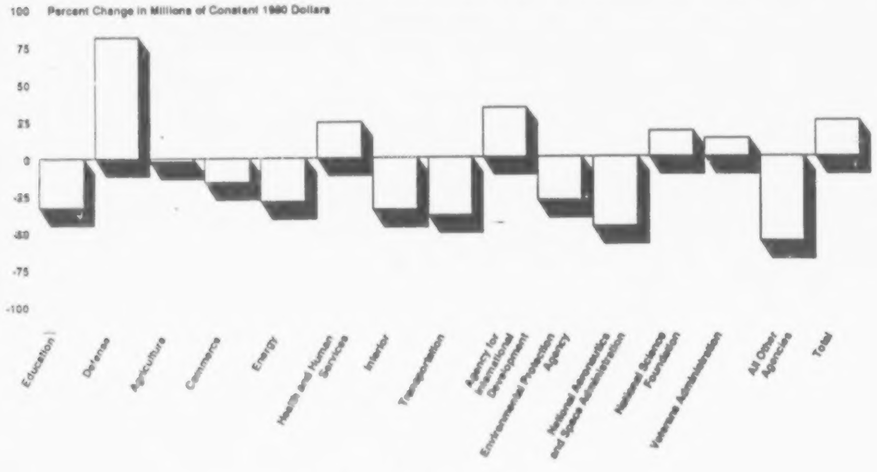
# The Funding of Research and Development in Major Departments and Agencies

## Changes in Funding

Across the federal government, between fiscal years 1980 and 1987, agencies overall experienced an increase in budget obligations for research and development (excluding capital investments) of 24 percent in constant 1980 dollars.[1]

However, as shown in figure 1.1 and table 1.1, there was considerable variation among departments and agencies in the fiscal resources available to them individually for research and development.

**Figure 1.1: Change in Budget Obligations for Research and Development by Major Department and Agency 1980-87[a]**



[a] See notes for table 1.1

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[1] Research and development budget figures used in this fact sheet refer to funds for conducting research and development only; capital investments for facilities are not included. Data reported here summarize research and development activities in all topic areas; coverage is not limited to education-related research and development. All years are fiscal years unless noted otherwise.

**Table 1.1: Budget Obligations for Research and Development by Major Department and Agency 1980 and 1987**[a]

| Department or agency | 1980 | 1987 Current | 1987 Constant 1980[b] | Real change 1980-87 |
|---|---|---|---|---|
| Education | $132 | $124 | $88 | −33% |
| Defense | 13,943 | 36,088 | 25,236 | +81 |
| Agriculture | 687 | 946 | 671 | −2 |
| Commerce | 341 | 405 | 287 | −16 |
| Energy | 4,737 | 4,724 | 3,350 | −29 |
| Health and Human Services | 3,790 | 6,643 | 4,711 | +24 |
| Interior | 438 | 403 | 286 | −35 |
| Transportation | 374 | 322 | 228 | −39 |
| Agency for International Development | 119 | 223 | 158 | +33 |
| Environmental Protection Agency | 348 | 348 | 247 | −29 |
| National Aeronautics and Space Administration | 5,084 | 3,787 | 2,686 | −47 |
| National Science Foundation | 888 | 1,464 | 1,038 | +17 |
| Veterans Administration | 133 | 210 | 149 | +12 |
| All other agencies | 669 | 404 | 287 | −57 |
| **Total** | **$31,682** | **$56,089** | **$39,424** | **+24%** |

[a] Dollars are for fiscal years in millions. Does not include departments or agencies with research and development budget obligations of less than $10 million. Total may not add because of rounding.

[b] Constant 1980 dollars were calculated by using fixed-weighted price indexes for federal government purchase of services in defense or nondefense sectors, as appropriate. Indexes were obtained from the Bureau of Economic Analysis in the Department of Commerce.

Source: Office of Management and Budget, Special Analyses, Budget of the United States Government (Washington, D.C.: 1981), and other data provided by the Office of Management and Budget.

Eight major departments and agencies showed real decline in budget obligations, ranging from 2 percent to 47 percent. The Department of Education showed a 33-percent reduction.

Five major agencies exhibited increases. These were led by the Department of Defense, which displayed a real growth of 81 percent in funding for research and development.

## Relative Size of the Effort

Variation is also shown in the size of the research and development function when agencies are compared. As table 1.1 shows, for example, this activity in the Department of Education was funded for fiscal year 1987 with $124 million (in current dollars), accounting for 0.2 percent of total federal obligations for conducting research and development. In contrast, the Department of Defense research and development budget was $36.1 billion in fiscal year 1987, or 64 percent of the federal total. In 1980, it represented 44 percent of the federal total.

## The Magnitude of Decreases

For departments and agencies that experienced reductions in funding, $4.7 billion (in constant 1980 dollars) would have been necessary to restore 1987 funding to the 1980 levels. This represents roughly 41 percent of the Department of Defense real increase of $11.3 billion. The $44 million decrease in funding for the Department of Education represents 0.4 percent of the Defense Department's increase.

## Trends in Obligations

Figure 1.2 displays the recent trend in research and development obligations, comparing levels for Department of Defense functions with those for other agencies, excluding Education. Since 1983, defense obligations have exceeded those for the other agencies combined, and the gap between these two areas of spending has grown each year since 1982. Table 1.2 contains data supporting figure 1.2.

**Table 1.2: Budget Obligations for Research and Development in Defense and Other Agencies 1980-87**[a]

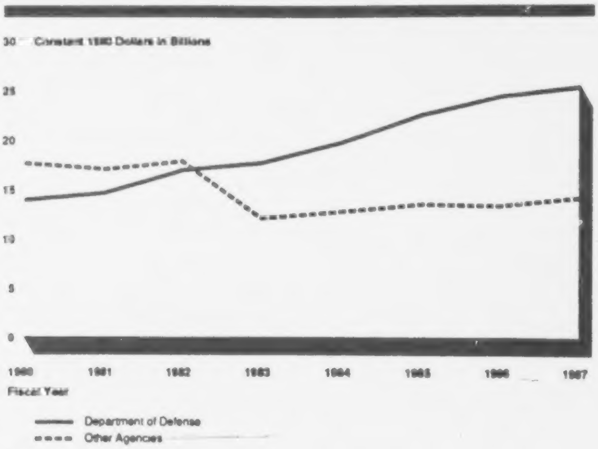
| | Department of Defense | | Other agencies[b] | |
|---|---|---|---|---|
| Fiscal year | Current | Constant 1980 | Current | Constant 1980 |
| 1980 | $13.943 | $13.943 | $17.607 | $17.607 |
| 1981 | 16.226 | 14.618 | 18.859 | 16.990 |
| 1982 | 20.033 | 16.420 | 21.547 | 17.807 |
| 1983 | 22.925 | 17.635 | 15.257 | 12.014 |
| 1984 | 26.408 | 19.708 | 16.665 | 12.721 |
| 1985 | 31.099 | 22.536 | 18.280 | 13.351 |
| 1986 | 34.205 | 24.259 | 18.290 | 13.254 |
| 1987 | 36.088 | 25.236 | 19.878 | 14.098 |

[a] Dollars in millions

[b] Includes all other agencies except the Department of Education

Source: The Office of Management and Budget and price indexes reported by the Bureau of Economic Analysis in the Department of Commerce

Figure 1.2: Trends in Budget Obligations for Research and Development in Defense and Other Agencies 1980-87[a]



[a]See notes for table 1.2

## Education

Budget obligations for conducting research and development in the Department of Education from 1980 to 1987 are shown in figure 1.3 and table 1.3.[2] Funding for this activity peaked at $154 million in 1982. The budget was sharply cut for fiscal year 1983 to $103 million, a reduction of 36 percent in constant dollars, and has yet to be restored to the 1982 level. The 1987 constant dollar level of $88 million in obligations marks a 33-percent reduction from 1980.

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[2] Data for the Department of Education describe funding for research and development throughout the department. Budget figures shown here are larger, therefore, than those for the department's office of educational research and improvement.

Table 1.3: Budget Obligations for Research and Development in the Department of Education 1980-87[a]

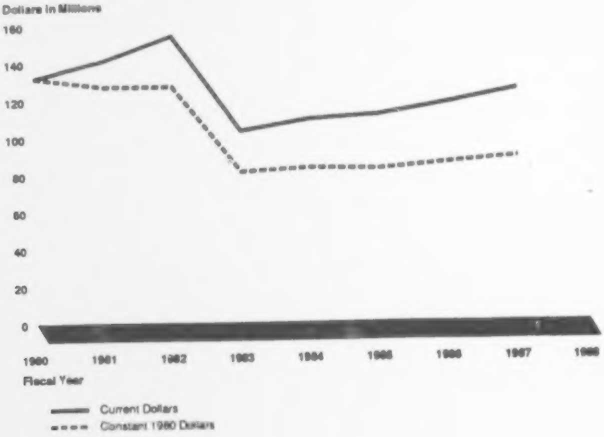
| Fiscal year | Current | Constant 1980[b] |
|---|---|---|
| 1980 | $132 | $132 |
| 1981 | 141 | 127 |
| 1982 | 154 | 127 |
| 1983 | 103 | 81 |
| 1984 | 109 | 83 |
| 1985 | 111 | 82 |
| 1986 | 117 | 85 |
| 1987 | 124 | 88 |

[a] Dollars are in millions and include research and development only. Table does not include support of facilities.

[b] Constant dollars are calculated by using the fixed weighted price index for federal nondefense purchase of services other than employee compensation.

Source: The Office of Management Budget and price indexes reported by the Bureau of Economic Analysis in the Department of Commerce.

Figure 1.3: Trends in Budget Obligations for Research and Development in the Department of Education 1980-87[a]

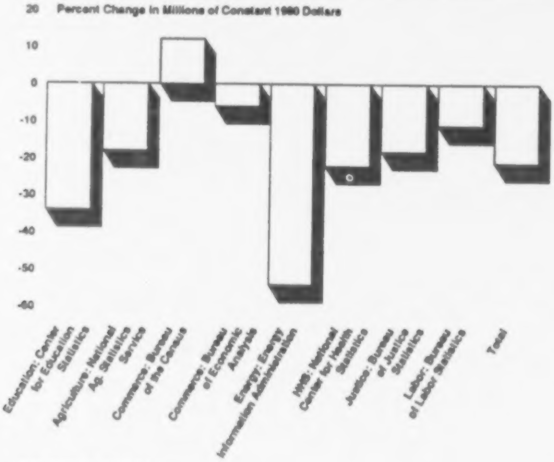


[a] See notes for table 1.3

# Funding of Major Statistical Units

Major statistical units overall experienced a real decline of 21 percent in budget authority between 1980 and 1986. See figure 2.1 and tables 2.1 and 2.2.

Figure 2.1: Change in Budget Authority for Major Statistical Units 1980-86[a]



[a]See notes for table 2.1

**Table 2.1: Budget Authority for Major Statistical Units 1980 and 1986[a]**

| Statistical unit | 1980 | 1986 Current[b] | 1986 Constant 1980 | Real change 1980-86 |
|---|---|---|---|---|
| Education | | | | |
| Center for Education Statistics[c] | $14.9 | $14.0 | $9.9 | −34% |
| Agriculture | | | | |
| National Agricultural Statistics Service[d] | 49.0 | 57.2 | 40.3 | −18 |
| Commerce | | | | |
| Census Bureau[c] | 53.7 | 85.8 | 60.4 | +12 |
| Bureau of Economic Analysis[e] | 15.8 | 21.1 | 14.9 | −6 |
| Energy | | | | |
| Energy Information Administration | 90.8 | 58.9 | 41.5 | −54 |
| Health and Human Services | | | | |
| National Center for Health Statistics | 43.3 | 48.0 | 33.8 | −22 |
| Justice | | | | |
| Bureau of Justice Statistics | 16.3 | 19.1 | 13.4 | −18 |
| Labor | | | | |
| Bureau of Labor Statistics[f] | 102.9 | 129.5 | 91.2 | −11 |
| **Total** | **$386.7** | **$433.6** | **$305.4** | **−21%** |

[a] Dollars are for fiscal years in millions

[b] Figures for 1986 are administration requests

[c] Includes program funding, salaries, and expenses from other accounts

[d] Formerly the Statistical Reporting Service

[e] Includes current programs only. Does not include transfers from other agencies

[f] Excludes transfers from other agencies and activities to revise the consumer price index

Source: U.S. House of Representatives, Committee on Government Operations, An Update on the Status of Major Federal Statistical Agencies, Fiscal Year 1986 (Washington, D.C.: U.S. Government Printing Office, 1985), p. CRS 6

**Table 2.2: Budget Authority for Major Statistical Units 1978-86[a]**

| Unit | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|---|
| Bureau of the Census current programs excluding transfers | $54.8 | $54.8 | $53.8 | $49.5 | $46.9 | $52.7 | $57.6 | $60.8 | $60.4 |
| Bureau of Economic Analysis excluding transfers | 16.2 | 15.8 | 15.8 | 14.8 | 14.8 | 15.0 | 15.5 | 15.9 | 14.9 |
| Bureau of Justice Statistics[b] | [c] | [c] | 16.3 | 12.2 | 12.7 | 13.0 | 13.9 | 14.0 | 13.4 |
| Bureau of Labor Statistics excluding transfers and consumer price index | 96.5 | 101.7 | 102.9 | 96.1 | 92.6 | 95.7 | 97.7 | 101.5 | 91.2 |
| Center for Education Statistics[b] | 21.5 | 16.5 | 14.9 | 12.5 | 11.8 | 11.3 | 10.7 | 10.3 | 9.9 |
| Energy Information Administration | [c] | [c] | 90.8 | 78.2 | 64.6 | 44.3 | 43.2 | 44.3 | 41.5 |
| National Agricultural Statistics Service, USDA | 46.4 | 46.5 | 49.0 | 46.5 | 42.3 | 40.7 | 41.7 | 41.7 | 40.3 |
| National Center for Health Statistics | 43.8 | 41.7 | 43.3 | 32.8 | 31.3 | 32.3 | 35.2 | 31.3 | 33.8 |
| **Total** | | | **$386.8** | **$342.6** | **$317.0** | **$305.0** | **$315.5** | **$319.8** | **$305.4** |
| Deflator | 0.87 | 0.93 | 1.00 | 1.16 | 1.22 | 1.27 | 1.31 | 1.36 | 1.42 |

[a] In millions of 1980 constant dollars. Years are fiscal years.

[b] Includes program funding, salary, and expenses from other accounts. Therefore, does not match published data that refer only to program funding.

[c] Data not available.

Source: U.S. House of Representatives, Committee on Government Operations, An Update on the Status of Major Federal Statistical Agencies, Fiscal Year 1986 (Washington, D.C., 1985).

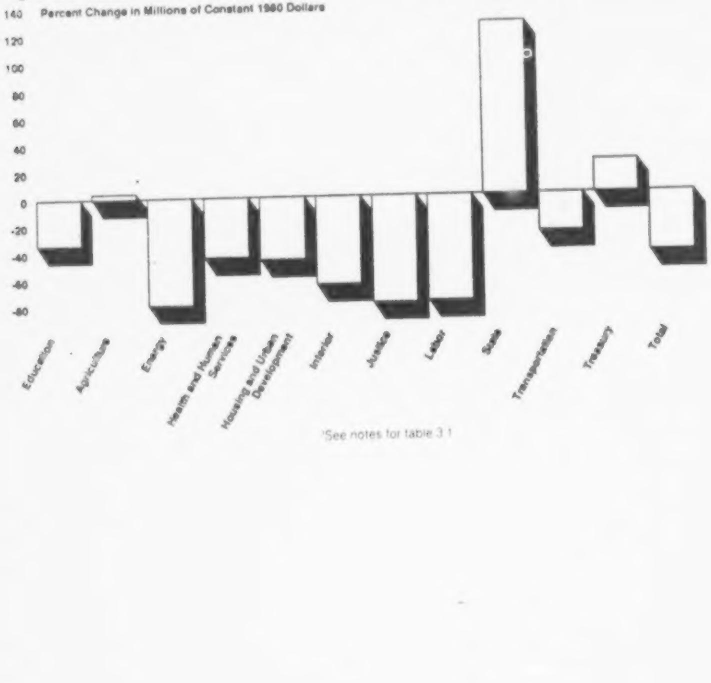
As with overall research and development funding, notable variations may be observed among individual units. One organization experienced an increase: 12 percent for the Bureau of the Census. Seven others experienced declines ranging from 6 to 54 percent. The Center for Education Statistics showed a reduction in budget authority from $14.9 million in 1980 to $9.9 million in 1986, a 34-percent reduction in constant dollars.

Section 3

# Funding of Evaluation Units

Program evaluation activities also have experienced a reduction in available fiscal resources, as shown in figure 3.1 and table 3.1. Among evaluation units in the departments, aside from the Department of Defense, fiscal resources in 1984 (the latest year for which we have data) were 44 percent lower than the overall level for these departments in 1980.

Figure 3.1: Change in Fiscal Resources for Evaluation Units in Nondefense Departments 1980 and 1984ª



ªSee notes for table 3.1

**Table 3.1: Fiscal Resources for Evaluation Units in Nondefense Departments 1980 and 1984**[a]

| Department | 1980 | 1984 Current | 1984 Constant 1980[b] | Real change 1980-84 |
|---|---|---|---|---|
| Education | $23.9 | $20.6 | $15.7 | −34% |
| Agriculture | 17.8 | 24.4 | 18.6 | +4 |
| Energy | 4.3 | 1.2 | 0.9 | −79 |
| Health and Human Services | 39.1 | 28.5 | 21.8 | −44 |
| Housing and Urban Development | 11.3 | 8.0 | 6.1 | −46 |
| Interior | 6.3 | 2.9 | 2.2 | −65 |
| Justice | 16.8 | 4.6 | 3.5 | −79 |
| Labor | 20.6 | 5.9 | 4.5 | −78 |
| State | 1.5 | 4.5 | 3.4 | +127 |
| Transportation | 3.6 | 3.4 | 2.6 | −28 |
| Treasury | 2.9 | 4.7 | 3.6 | +24 |
| **Total** | **$148.1** | **$108.7** | **$82.9** | **−44%** |

[a] Dollars are for fiscal years in millions. Data are based on estimates reported by evaluation units late in each of the 2 fiscal years. Estimates include total resources, regardless of funding source or fiscal year in which funds were obligated. The Department of Commerce is not included because it reported no evaluation units in 1984; fiscal resources for the department's evaluation units in 1980 were reported as $13.0 million. Data from the Department of Defense are not available.

[b] Constant 1980 dollars were calculated by using the fixed-weighted price index for federal government nondefense purchase of services other than employee compensation. This is a more accurate index than the one available for our report entitled *Federal Evaluation: Fewer Units, Reduced Resources, Different Studies From 1980*, GAO/PEMD-87-9 (Washington, D.C.: January 1987). The difference in results, however, is not large. The total percentage change in fiscal resources presented in that report was −41 percent rather than the −44 percent shown in this table.

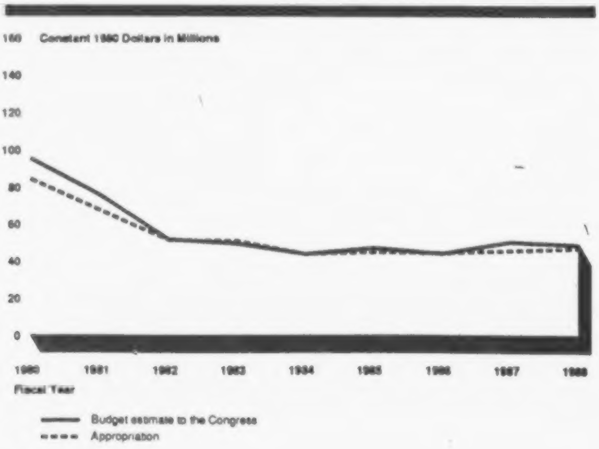
Evaluation activities in the departments of agriculture, state, and treasury experienced real increases in funding, but other departments showed reductions. In the Department of Education, the reduction was large—34 percent in constant dollars—but not as large as in several other departments.

Section 4

# Budget Requests and Appropriations for Education Research and Statistics

The pattern of the president's budget estimates and congressional appropriations for the Department of Education's research and statistics budget is presented in figure 4.1 and tables 4.1 and 4.2. Both estimates and appropriations declined steeply between fiscal years 1980 and 1982. Over the 9-year period 1980 through 1988, the appropriation was less than the request for 6 of those years. On these occasions, the differences between the request and the appropriation ranged from approximately $400,000 to $11 million—or from 1 percent to 12 percent of the request. For fiscal years 1984 and 1986, the administration request and the congressional appropriation were identical. For fiscal year 1983, the appropriation exceeded the request; the difference was $1.8 million, or 2.9 percent of the request. There were only 2 years—1985 and 1987—in which the administration asked for increases above the level of the previous year's request. Appropriations exceeded the previous year's appropriation on four occasions: fiscal years 1983, 1985, 1987, and 1988.

Figure 4.1: Budget Requests and Appropriations for Education Research and Statistics 1980-88[a]



[a]See notes for table 4.1

**Table 4.1: Education Research and Statistics Budget Requests and Appropriations 1980-88[a]**

| | | Budget estimate to the Congress | | Appropriation | |
|---|---|---|---|---|---|
| Fiscal year | Price index | Current | Constant 1980 | Current | Constant 1980 |
| 1980 | 1.00 | $95.120 | $95.120 | $84.061 | $84.061 |
| 1981 | 1.11 | 84.061 | 75.731 | 74.561 | 67.172 |
| 1982 | 1.21 | 62.392 | 51.564 | 61.979 | 51.222 |
| 1983 | 1.27 | 62.392 | 49.128 | 64.203 | 50.554 |
| 1984 | 1.31 | 56.978 | 43.495 | 56.978 | 43.495 |
| 1985 | 1.35 | 62.978 | 46.650 | 59.978 | 44.428 |
| 1986 | 1.37 | 59.978 | 43.462 | 59.978 | 43.780 |
| 1987 | 1.41 | 70.231 | 49.809 | 63.578 | 45.091 |
| 1988 | 1.46[b] | 70.231 | 48.103[b] | 67.526 | 46.251[b] |

[a] Dollars are in millions

[b] Estimate

Source: Department of Education research and statistics fiscal year 1988 budget request; U.S. House of Representatives, Making Further Continuing Appropriations for the Fiscal Year Ending September 30, 1988, conference committee report number 100-498 (Washington, D.C.: U.S. Government Printing Office, 1987); and price indexes supplied by the Bureau of Economic Analysis in the Department of Commerce.

**Table 4.2: Difference Between Administration Requests and Appropriations: Education Research and Statistics Budget 1980-88[a]**

| Fiscal year | Difference | Difference as % of request |
|---|---|---|
| 1980 | −$11.059 | 11.6% |
| 1981 | −9.500 | 11.3 |
| 1982 | −0.413 | 0.7 |
| 1983 | +1.811 | 2.9 |
| 1984 | 0 | 0 |
| 1985 | −3.000 | 4.8 |
| 1986[b] | 0 | 0 |
| 1987 | −6.653 | 9.5 |
| 1988 | −2.705 | 3.9 |
| Average 1980-88 | −3.502 | 5.0% |

[a] All figures are in millions of current dollars. "+" indicates the appropriation exceeded the request; "−" indicates the appropriation was less than the request.

[b] Excludes sequestration of $2.579 million.

Source: Data from the Department of Education research and statistics fiscal year 1988 budget request.

Testimony of Congressman Mel Levine
Before the Subcommittee on Labor,
Health and Human Services, and Education
April 26, 1990

Mr. Chairman, thank you for allowing me to appear today alongside my distinguished colleague from Washington, Jolene Unsoeld. She has been extremely active and successful in fighting for authorization allowing the D.A.R.E. program to receive federal funding, and it is my pleasure to join her in this important battle.

Quickly, I would like to outline several points which must be taken into account while decisions concerning which programs are to receive federal funding are being made.

**First: D.A.R.E. is far- reaching.**

Originally developed as a cooperative effort of the Los Angeles Police Department and the Unified School District, the D.A.R.E. program now reaches 4.5 million students in 49 states and the District of Columbia. It has been adopted for international use in the Department of Defense Dependent Schools.

**Second: D.A.R.E takes a unique, holistic, community oriented approach to curbing drug abuse and to providing education.**

The D.A.R.E. program offers the opportunity for law enforcement, teachers, and school administrators to work together in a collective effort to curb drug abuse. The program consists of a 17-week curriculum and includes such subjects as drug use and misuse, decision making and risk taking, resistance techniques, and assertive response styles. Other D.A.R.E. classes help students understand self-image, recognize stress and manage it without taking drugs, and analyze and resist media presentations about alcohol and drugs. The semester-long program was originally targetted to fifth and sixth graders, but has evolved to reach younger grades and to provide follow-up instruction in junior high and high school as well.

The classes are taught by specially trained veteran police officers who have direct experience with the tragedies and crime caused by drug abuse. Each police officer completes an 80 hour D.A.R.E. training program including instruction on teaching techniques, development of self-esteem in children, and communication skills.

**Third: D.A.R.E. has been proven to be an extremely successful weapon in preventing drug use.**

Independent research has confirmed the success of D.A.R.E. Graduates of the program are both less accepting of drug use and more able to resist peer pressure to use drugs. The program also contributes to improved grades and study habits, decreased vandalism and gang activity. It also promotes markedly improved relations between ethnic groups, and a more positive attitude toward the police and school.

The success of D.A.R.E. is demonstrated in a student-parent survey taken in the Los Angeles Unified School District. Before participating in the D.A.R.E. program, 51% of the students surveyed equated drug use with having more friends. After completing the program, only 8% of the students made this association.

Similarly, before witnessing the D.A.R.E. presentation, 61% of parents thought that there was nothing that parents could do to prevent their children from using drugs. After the D.A.R.E. presentation, only 5% of the parents still held this belief.

D.A.R.E. has become one of our most effective weapons in combatting the war on drugs. It has set the national standard for drug education programs because it is ubiquitous, innovative, and it works. Few similar programs share such clear and overwhelmingly successful results. The time has come for the federal government to **invest** in prevention. I urge you to strongly consider such a worthy program as D.A.R.E. for federal funding.

Thank you again for your time and thought.

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

JOHN JOSEPH MOAKLEY
NINTH DISTRICT
MASSACHUSETTS

March 7, 1990

The Honorable William H. Natcher
Chairman
Subcommittee on Labor, Health and
Human Services, and Education
2358 Rayburn HOB
Washington, DC 20515

Dear Bill:

Pursuant to our recent conversation, I am enclosing a copy of a proposal for funding for the John W. McCormack Institute for Public Affairs.

I would welcome any assistance you could provide for the University of Massachusetts in Boston. Thank you for your consideration and I will contact you in the next few weeks.

Sincerely,

JOHN JOSEPH MOAKLEY
Member of Congress

UNIVERSITY OF MASSACHUSETTS
AMHERST • BOSTON • WORCESTER

OFFICE OF THE VICE CHANCELLOR
EXTERNAL RELATIONS
ADMINISTRATION BUILDING
HARBOR CAMPUS
BOSTON, MASSACHUSETTS 02125-3393

March 5, 1990

Congressman John Joseph Moakley
Chairman, House Committee on Rules
221 Cannon House Office Building
Washington, D.C. 20510

Dear Chairman Moakley:

Pursuant to our recent conversation in your office, I am enclosing a proposal for increased support of the John W. McCormack Institute for Public Affairs. If we can provide you and your staff with additional information please contact us at (617) 287-5300.

We deeply appreciate your continued support of the University of Massachusetts at Boston.

Sincerely,

Ed

Edward C. O'Malley, Jr.
Vice Chancellor for
External Relations

ECO/dv

Enc.

## THE JOHN W. MC CORMACK INSTITUTE FOR PUBLIC AFFAIRS

The John W. McCormack Institute for Public Affairs was formally created by act of the Board of Trustees of the University of Massachusetts on September 15, 1983. The principal purpose of the Institute is continued development of a University based, Applied Policy Research Center, with significant associated public service and Public Affairs educational roles. The major, but not exclusive, focus of the Institute is on the production and dissemination of research on issues of concern to Boston, the Commonwealth of Massachusetts, and the New England Region. The institute provides a variety of services such as technical consulting, sponsoring numerous conferences, conducting seminars, both on and off campus on any number of issues and concerns. Since its inception, the McCormack Institute has published numerous research reports and several books and other publications. The Institute also publishes the New England Journal of Public-Policy which provides a medium for practitioners, policy analysts and academics to define problems and develop approaches to solving them.

Recognizing that public policy issues do not always neatly conform to pre-existing geopolitical boundaries, the Institutes focus has somewhat expanded to include selected "national" policy issues, such as the involvement of the Institute in a major effort to foster economic development to both Northern Ireland and the Republic of Ireland.

The organization of the John W. McCormack Institute reflects its commitment to applied policy analysis, public service and educational outreach. The central staff has expertise in government, demographics, survey research, public policy analysis, human resources planing, political behavior, urban affairs, public finances, higher education policy, economics, and public management. Fellows of the McCormack Institute add specific expertise as needed.

Currently, the Public Affairs Masters Program is located in the Institute. This is a campus-wide graduate program, supported by faculty and staff of the McCormack Institute, the College of Arts and Sciences, the College of Management and the College of Public and Community Services. The program seeks students who are currently employed with several years experience in the public, private, voluntary and not-for-profit sectors. The program focuses on three broad goals: Providing students with a detailed, accurate picture of the political and economic environments in Washington, Boston and Massachusetts; giving them needed historical and cultural perspectives on public life in the region; and assuring that they have the technical, professional, analytical and managerial skills needed to function effectively in the public realm. The program also includes intensive analysis of current policy issues.

UMass/Boston will implement a new doctoral program in Public Policy in September, 1991. This program is explicitly designed to produce a generation of professionals who can design and evaluate public policy toward the end of improving the benefits of government programs while reducing their cost. It is a proposal that is rooted in the premise that professionals in the "public sector are ultimately responsible to the citizenry in general and to the "consumers" of public service in particular." Applied in nature, the Ph.D. in public policy incorporates into its curriculum the expertise of faculty from various departments and colleges with UMass/Boston. The program will draw extensively on the resources of one of the strongest Institutes on campus - the John W. McCormack Institute for Public Affairs.

Consistent with its research and service mission, the Institute has recently expanded its role by housing the John F. Kennedy scholar. This position is awarded on an annual basis to a senior scholar working in an area related to recent American history, and intended to support research, making substantial use of the resources of the Presidential Library. The current incumbent is Mr. Nigel Hamilton, who is presently working on a definitive biography of John F. Kennedy, scheduled for completion in 1991 in time for the 75th anniversary of the President's birth.

The John W. McCormack Institute is fulfilling its major responsibilities in research, instruction, and civic education related to public policy and the role of representative government in the United States. In order for the Institute to continue its stated role and expand its function to meet a growing need for policy research in such crucial areas as urban education, environmental concerns, housing, poverty, race relationship, public finance, higher education, conflict resolution, economic development, energy needs, aids, aging, and demographic changes, the Institute will require additional resources to augment its current base from the Federal and State governments and the University.

The Institute needs a stable budget that would support these growing programs. There remains a substantial need to expand the research capacity of the Institute by increasing the number of senior research fellows as well as training young scholars who are pursuing their graduate studies in public policy at UMass/Boston. Additional funding will be needed to support costs related to publications, conferences, seminars, travel for visiting scholars and internships.

Specifically, we are requesting a Federal Endowment of $4 million to support the expanded mission of the McCormack Institute. The income generated by the endowment will fund a distinguished faculty chair to be named "The John W. McCormack Eminent Chair for Public Policy". The individual selected to occupy this chair will be someone with a national and international reputation as a scholar and teacher. In addition, the Federal Endowment will support several young scholars who are pursuing their studies in the Public Affairs Masters Program as well as in the Public Policy Doctoral Program. These fellowships will also be named as "The John W. McCormack Young Scholars".

# TESTIMONY OF THE HONORABLE THOMAS J. DOWNEY
BEFORE
LABOR HHS EDUCATION APPROPRIATIONS SUBCOMMITTEE
APRIL 26, 1990

Mr. Chairman and members of the Subcommittee, I thank you for the opportunity to appear today. As Chairman of the House Select Committee on Aging's Subcommittee on Human Services, I am pleased to present my statement as an advocate for the Older Americans Act. I appreciate the support for the Act that this Subcommittee has demonstrated throughout its history. The Subcommittee on Human Services is currently engaged in a year-long series of oversight hearings on the Older Americans Act. Before we began these hearings, we met with representatives of thirteen national aging organizations to determine their concerns about the Act and to explain the Subcommittee's agenda. So far, the Subcommittee has held two hearings focusing on the implementation of the 1987 amendments and one on the special needs of the frail elderly.

This year, we mark the 25th anniversary of the Older Americans Act and we have just cause to celebrate. Older Americans Act programs have greatly enriched the lives of millions of older people through a sophisticated network of state and area agencies on aging, through meals and other service programs, and through research and demonstration projects in geriatrics. In addition, the Act has provided employment opportunities for millions of low-income older people, for whom a job means the chance to live a life free of dependence on others.

All of us here today recognize the fiscal constraints that we face as we try to reduce the budget deficit and meet our commitment to maintain services to those who so desperately need them. I must say, Mr. Chairman, that the thousands of women and men who provide services under the auspices of the Older Americans Act are acutely aware of the need to stretch every Federal dollar as far as it will go. They have been, and still are, actively pursuing innovative ways to supplement the funds which we provide. I hope that we do all that we can to see that they receive the full degree of Federal support which they deserve.

As with other programs which are not protected from the rigors of the Gramm-Rudman process, the Older Americans Act sustained an overall 1.2% cut in the first part of this fiscal year. This placed an additional strain on all the programs covered under the Act and undermined the effort made by the Subcommittee last year to provide stable funding for the program. I do want to commend you, in particular, for taking the initiative in last year's Dire Emergency Supplemental Appropriations Bill to resolve the problem facing the Title VI programs. Due to your action in 1989, Native American elders did not suffer a cut in meals and supportive services programs.

I also wish to commend the Subcommittee for the recently passed FY 90 Supplemental which contained $50 million for the Low Income Home Energy Assistance Program as well as $510 million for

Food Stamps. Both of these programs are of great importance to older Americans.

This morning I wish to make a plea for one program which definitely needs your continued assistance. Title V of the Older Americans Act, the Senior Community Service Employment Program, is a vital part of the Act and has always enjoyed the support of this Subcommittee. By providing community service jobs to thousands of elderly people, the program helps them to maintain their independence and taps a talented pool of workers. Programs using Title V funds are exploring innovative intergenerational approaches to child care and other community services. Title V participants are often employed with programs providing services to other senior citizens. Despite its success and the broad support which it enjoys, Title V has suffered from a steady decline in its ability to employ seniors. In FY 1989, there were 66,000 participants in Title V programs; this year the $357 million provided will allow only 63,000 participants. The President has requested a cut of $14.2 million for FY 1991, which further reduce the number of jobs to 56,600. I urge the Subcommittee to reject the President's cut. The recently enacted increase in the Federal minimum wage has increased the strain on the program, since enrollees receive at least the minimum wage. Without some increase, some participating programs will need to be cut even further. I urge the Subcommittee to increase the funds available to cover the increased wage rate so that work force levels can be maintained.

I would like to take a few moments to apprise the Subcommittee of a study completed by the Administration on Aging. The Unmet Needs Study was called for by the 1987 amendments of the Older Americans Act (Section 111 Of P.L. 100-175). Its purpose was to help Congress to determine the major service areas which need to be addressed. While the report suffered from a lack of a comprehensive and uniform reporting requirements, it does show us that there are still important services which are not being provided. Service providers and advocacy organizations, particularly the National Association of Area Agencies on Aging, have also attempted to determine the areas which need increased attention. There seems to be general agreement that the major unmet needs are in-home services and transportation. Both in home services and transportation are critical in helping older people remain in the community and avoid stays in nursing homes. If we can do a better job at meeting these needs, we can do an immeasurable amount of good in improving the quality of life of countless elderly. When funding levels for Titles III B and III D are determined by the Subcommittee, I urge you to consider the data on unmet needs.

Last year, when I appeared before the Subcommittee I raised the issue of the transfer of funds between programs in the Title III of the Older Americans Act. During the course of the past year, the Subcommittee on Human Services has heard increasing concern that the transfer is severely eroding the ability of meal program providers to maintain their programs. As it has operated, the transfer has been totally from Title III C 1 - congregate meals programs - to home delivered meals programs and Title III B supportive services. Should it continue, the drain of resources will sap the strength of one of the mainstays of the Older Americans Act. I urge the Subcommittee to monitor this transfer and I hope that an increase of funds to other Title III programs will curtail the need to draw from Title III C 1.

There are two other matters pertaining to the Older Americans Act that require the attention of the Subcommittee. The first involves the status of the Commissioner on Aging and the second involves the White House Conference on Aging.

As this Subcommittee knows, the 1987 amendments to the Older Americans Act required the upgrading of the Commissioner on Aging by having the Commissioner report directly to the Secretary of the Department of Health and Human Services. When Congress passed those amendments, its intent was to make it clear that the Administration on Aging was the lead Federal agency and the Commissioner was the lead Federal advocate on aging matters and to enable the Administration on Aging to control its own budget and programs within the Department.

I am pleased to note that the present Commissioner on Aging, Dr. Joyce Berry, now reports directly to Dr. Louis Sullivan and that is definitely a step in the right direction. However, the improved status of the Administration on Aging within the Department has not been fulfilled. My concern is that absent these two individuals, who enjoy an excellent working relationship, we will be back to where we started in 1987. The Administration on Aging does not enjoy the enhanced status which we thought necessary and it is this enhanced position which will guarantee that it plays an effective role in years to come, regardless of who is the Secretary and who is the Commissioner. I urge the Subcommittee to consider providing the Administration on Aging with its own line item in the budget, thus clearly implementing Section 102 of P.L. 100-175.

With regard to the White House Conference on Aging, I would simply ask that the Subcommittee consider making a specific appropriation for the Conference. Although the Department of Health and Human Services budget presentation indicated that the Administration was requesting an additional $1 million in Title IV of the Older Americans Act for the White House Conference, the President has still not indicated that the Conference will be held. We are running out of time, if we are to have the conference, as originally thought in 1991. I hope that a specific appropriation of funds will send a signal to the White House that Congress was serious when it authorized the calling of the Conference in the 1987 amendments.

Finally, Mr. Chairman, I would like to address one issue which does not fall under the Older Americans Act. Section 10404 of H.R. 3299, the Omnibus Budget Reconciliation Act of 1989, provides a $1 million for a demonstration project employing volunteer senior citizen aides to provide basic medical assistance and support to families with moderately or severely disabled or chronically ill children in ten sites across the country. I am proud to say that I introduced this provision and I urge the Subcommittee to fund this important project.

There are approximately one to two million children who have a chronic health condition which is severe enough to interfere with their daily activities. These children are not all in hospitals and they and their families often need assistance in meeting their daily needs. There are many older people who have the experience and the ability to help these children and their families. At the present time, the Robert Wood Johnson Foundation supports a program directed by the National Council on the Aging called Family Friends. For the past four years, pilot projects in eight cities have laid the groundwork for an expanded trial of this concept. An appropriation for this demonstration project would allow ten new sites to be started and allow for an evaluation based on a broad sample of regions and population types.

Mr. Chairman, next year, Congress will turn its attention to reauthorizing the Older Americans Act and I look forward to working together with you and the members of the Subcommittee, as well as the Education and Labor Committee in strengthening the Act and continuing the tradition of supporting the Older Americans Act as the main human service provider to older Americans.

Thank you again for the opportunity to testify today.

# TESTIMONY OF THE HONORABLE BILL RICHARDSON
BEFORE THE
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,
AND EDUCATION
COMMITTEE ON APPROPRIATIONS

Thank you Mr. Chairman, and members of the Subcommittee, for the opportunity to testify today on a project of great importance to my Congressional district in New Mexico.

The Alamo Navajo Reservation, with an estimated population of 2000, is one of the most isolated rural communities in the State - 35 miles from the nearest town, 70 miles from the County Seat at Socorro, and 250 miles from Navajo Tribal Headquarters in Window Rock, Arizona. As a result of this isolation, it is extremely difficult to establish and deliver services to those who would benefit - the children and parents of this community - because of a lack of any appropriate facility or community center. This is the case in many of the isolated rural and reservation communities everywhere.

The Alamo Navajo School Board, Inc. has stated its desire and need to rectify this situation. It would like funding to plan and design a model Multi-Use Early Childhood Center which would service the needs of children from ages 0 to 7, and their parents. Currently, Alamo operates four programs that impact this age group: 1) Head Start (now serving 55 out of 101 eligible students); 2) an IHS Health Clinic which provides medical services for those whose parents bring them in; 3) a State Child Care Food Programs making food available for private home day care providers in the community; and 4) Early Childhood Special Education.

Alamo has the potential to seek funding for additional programs that would provide needed services to virtually all children from birth to school age and their parents, they simply do not have the facilities to house them. Additionally, the programs would be more beneficial to the community if they were all in one combined facility. **I request your support of $95,000 for initial planning and design costs for a Multi-Use Early Childhood Center for the Alamo Navajo Reservation.**

# TESTIMONY OF CONGRESSMAN MARTIN OLAV SABO

FOR THE

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

U. S. HOUSE OF REPRESENTATIVES

MAY 1, 1990

Thank you Mr. Chairman and Members of the Subcommittee. I appreciate the opportunity to give you information about a project that I believe could revolutionize the way our country deals with unemployed individuals.

At a time when the federal government is rapidly cutting its expenditures on defense and other changes are occurring in the economy, many individuals need assistance in finding new employment. While the need to retrain today's workforce for tomorrow's jobs is self evident, there is an equally compelling need to match individuals seeking employment opportunities with existing job openings.

The federal government, through the U.S. Department of Labor, provides $737 million for state-run Job Service programs. The services are of mutual benefit to individuals and business. Existing computer technologies offer significant opportunities to improve state run Job Service programs. However, many states do not maximize the use of these technologies. Your FY 1990 Labor-HHS appropriations bill contained $12.5 million for Employment Service automation for states. This is a good start but we must continue to build on it.

As you know, state and federal Unemployment Insurance laws require unemployed individuals to be actively seeking work to qualify for unemployment benefits. However, few states have been able to aggressively enforce this requirement. Integrating states' Job Service and Unemployment Insurance systems would improve the ability of states to monitor the job search activities of Unemployment Insurance recipients.

As a member from Minnesota, I have a special interest in this project as my state is a leader in the development and implementation of automated, statewide Job Service systems. Minnesota's Job Matching and Job Search systems allow job applicants to review computerized listings of job openings throughout the state. The Interstate Job Bank gives individuals access to nationwide data on managerial and professional job openings. The Resume System allows Minnesotans to distribute their resumes to potential employers in a multi-state (Minnesota, Ohio, Wisconsin, Michigan, Illinois, and Indiana) region and provides Minnesota employers the ability to obtain qualified professionals from the other six states in our region.

What is lacking is linkages between the systems. The Job Service and Unemployment Insurance systems should be on the same data base. When an individual files a claim for Unemployment Insurance benefits, the state should be able to help the individual do a job search on the Job Service system. In addition, a single data base could provide an overall client history so that when a claimant files his or her biweekly certification of benefit eligibility, a match of the claimant's occupational skills can be automatically run against the new jobs on the system. This would allow for the fastest possible match of Unemployment Insurance claimants with new jobs which come on the market. Successful use of this system would lower Unemployment Insurance costs in almost all states.

The Automated Resume System would provide an employer who calls in seeking resumes for professional, technical, managerial, or sales employees, the opportunity to go into the data base and search for resumes which meet the employer's needs. Currently, the Minnesota multi-state area has investigated entry into this type system. However, limited funds have prohibited the six-state group from expanding its system. Limited funds have also prohibited expansion into semi-technical professions not currently covered by the system.

The state of Minnesota has just completed the design and implementation of one of the most fully integrated and technologically advanced Unemployment Insurance systems in the country. This new Unemployment Insurance system makes use of the most up-to-date technology and was designed to serve as the base for eventual full integration of Unemployment Insurance and Job Service functions in the State.

Minnesota is both willing and able to undertake an effort to serve as a pilot project integrating Job Service and Unemployment Insurance systems to deliver these services to clients more cost-effectively. Minnesota's previous experience in the area of Common Client Intake for Job Service and Unemployment Insurance and the REM (Re Employ Minnesota program) indicates that significantly improved client service and a measurable reduction in costs to the Unemployment Insurance Trust Fund would result from this project.

This proposed project would integrate three separate systems: Unemployment Insurance Benefits System, Job Service System, and Automated Resume System. The integration of these systems under a unified database structure will facilitate further functional enhancements in the following areas:

* Automated identification of available pertinent job listings for Unemployment Insurance claimants at the time an initial claim is filed. This will increase the percentage of claimants who are immediately reemployed and require no Unemployment Insurance benefits.

* Automated referral of Unemployment Insurance claimants to Job Service when, during their claim, available job listings for the claimant's job area and Unemployment Insurance benefits are still being claimed. This will help to reduce the duration of Unemployment Insurance benefits paid to claiments.

* The creation of unduplicated client counts for statistical purposes. This will produce more reliable counts of clients and services provided and increase the ability to determine the effect of services provided to clients.

* On-line availability of the multi-state Job Service Resume system. This will increase usage of the system and significantly cut down the current delay in providing resumes to employers.

* On-line client history of both Job Service and Unemployment Insurance transactions, including Unemployment Insurance weeks claimed and job referral information. This enhancement will reduce fraudulent Unemployment Insurance payments and point out clients in need of additional counseling in their efforts to find employment.

Several savings are projected to result from this project. Based on Minnesota's experience with the state-funded REM program, approximately 12 percent of all REM clients returned to work before receiving any Unemployment Insurance benefit payments. In addition, REM clients overall claimed four fewer weeks of Unemployment Insurance benefits in comparison with other claimants. It is likely that the automation of the job match process and integration into the Unemployment Insurance system will result in a minimum Unemployment Insurance benefit duration reduction of one week on average. Based on 1989's average weekly benefit amount of $180, the 33,000 REM potential clients would, under this project, produce Unemployment Insurance Trust Fund savings of approximately $6 million in the first year. This is in a state that has only two percent of the nation's population. Obviously national savings from a fully integrated system would be significant.

I strongly believe we must continue to appropriate funds for Job Service Automation. I would request that your Subcommittee provide $10 million in additional dollars for states interested in integrating their Job Service Systems with their Unemployment Insurance systems. I believe that as a leader in Job Service Automation, Minnesota could serve as a pilot project -- demonstrating the cost effectiveness of an integrated Job Service-Unemployment Insurance System.

Mr. Chairman and Members of the Committee thank you again for your time.

Testimony of the Honorable David E. Bonior
April 26, 1990

Mr. Chairman:

It is a pleasure to appear before you and the other distinguished members of this subcommittee.

As you know, it has been a little over two years since the historic appointment of Dr. I. King Jordan as the first deaf President of Gallaudet University. That event sparked a deep sense of pride and energy in the deaf community. And as the recent "60 Minutes" segment shows, tremendous progress has been made under the leadership of Dr. Jordan.

This Subcommittee is to be commended for fully funding Gallaudet University last year. I want to recognize that the Administration budget for Gallaudet for FY91 is very favorable, but I also want to emphasize how critical it is that this budget remain intact.

For the first time in many years, Gallaudet, in 1991, has a budget for operations that is sufficient to provide salary increases for both faculty and staff and long delayed growth in programs.

The funds for compensation increases will support a 5% cost of living adjustment--still below the current rate of inflation. These salary increases are clearly needed at Gallaudet, for as you know, the quality of education can only be as good as those who impart the knowledge.

Professors at Gallaudet must not only be well qualified in their field of study, but also have the special skills required to teach hearing-impaired students. This increase, along with increases in nonappropriated funds, will allow Gallaudet to continue and improve the excellent educational services it provides to the deaf community.

There has been no federal support for program growth at Gallaudet for many years. The new program money in this budget will support programs to train mental health professionals who will provide currently unavailable services to the deaf community.

In fact just yesterday, I received the spring issue of "Gallaudet Today" which focuses entirely on the critical need for mental health services for deaf people. When your copy arrives, I guarantee it is well worth your attention and particularly significant in light of the interest members of this Subcommittee have always demonstrated regarding funding for mental-health related programs.

The funds included to renovate the Hall Memorial Building are critical. The building, constructed in the 1950's, was poorly designed to begin with, and has deteriorated significantly in recent years. For example, the shape of the current classrooms makes it difficult for the students to see their teacher and fellow students signing. During the course of the renovation, the classrooms, laboratories and offices in the building will be improved in terms of design and modernization of facilities.

As you know, the University is seeking only half of the funds needed for the renovation from the federal government. The other half will be raised privately.

Prior to the renovation, an addition will be constructed to house expansion in the research program. I am proud to say that this addition is needed due to the University's increasing effectiveness at securing competitive grants.

In addition, one million dollars is requested for the highly successful endowment matching program. Once again, the University has met the full match in FY90 as it has for the last three years since the start of the program.

Last year, one of the most successful in the University's history, was highlighted by the Deaf Way a celebration of the language, culture, arts and history of the deaf community. This event attracted 5,000 people from around the world. It has done a great deal to promote a positive image of deaf people as able to achieve in any field of endeavor. The proposed funding for FY91 will allow Gallaudet to continue and expand this tradition of excellence and service.

In conclusion, Mr. Chairman, it is imperative that Congress continue its support of Gallaudet University. I ask the Subcommittee to respond favorably to the Administration's request for Gallaudet. As the only accredited university for the deaf in the world, it is a unique and vital institution. I hope that Congress and this Subcommittee will continue their traditional support for the hopes and aspirations of the deaf.

Being a member of the Board of Trustees of Gallaudet University for the past eleven years has been one of my most rewarding and inspiring experiences in Congress. Again, let me thank you for the opportunity to appear before you today and let me express my appreciation for all the work you have done on behalf of Gallaudet.

Thank you.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESSES

**HON. LARRY PRESSLER, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA**

**DR. LARRY THACKER, SUPERINTENDENT, TODD SCHOOL DISTRICT, SOUTH DAKOTA**

**ARNOLD WOLD, SUPERINTENDENT, WINNER SCHOOL DISTRICT, SOUTH DAKOTA**

Mr. NATCHER. Our first witness this afternoon is Senator Larry Pressler.

Come around, Senator. We are delighted to have you with us.

Tell us who you have with you there at the table.

Senator PRESSLER. Mr. Chairman, I shall stay within four or five minutes. I know you are running a tight schedule and I respect the other Members of Congress who are here.

I am here to testify on behalf of not only South Dakota schools, but throughout the nation, the issue of impact aid. I am accompanied today by Dr. Larry Thacker, Superintendent of the Todd County School District and Arnold Wohl of the Winter School District.

In our brief time we will submit statements and materials for the record.

We are here on behalf of the 6,709 Category A students and 3,693 Catetory "B" students in my State of South Dakota.

We are here today as many other Members of Congress to express support and concern. We support funding the impact aid program at the fully authorized level of $835,000,000 and $27,000,000 for school construction.

I urge this committee and its Chairman and Members to include at least this amount in its appropriations recommendations. As a strong advocate for reducing our budget deficit, I do not make such recommendations lightly. But the impact aid program is that important.

I am concerned that if these amounts are not appropriated some schools in my state will not be able to keep functioning at the current levels of operation. I do not want to consume the committee's time reviewing the technical aspects of the program. I want to share examples of how important this funding is in 39 school districts in South Dakota.

Because federal impact aid payments have not kept up with the cost of operation of inflation heavily impacted districts in my state already have had to cut back on services.

Recently I received hundreds of letters from students at Edog and Littleburg Elementary Schools in the Todd County School District urging us to appropriate more for impact aid so their schools can continue to offer some of the programs they enjoy.

Todd County School District is approximately 88 percent impact and faces a $500,000 funding shortfall. We in South Dakota are proud to host Ellsworth Air Force Base, one of the great Air Force Bases in the United States. The Douglas School District provides education to 2,800 students, 77 percent of whom are dependents of military personnel assigned to Ellsworth.

The Douglas funding situation from year to year is fragile. According to Superintendent John Sweet in 1973 it was temporarily closed for funding shortfalls. In 1983 it was nearly closed due to the Department of Education ruling on rates.

In 1986, the district faced extreme cuts as a result of proration interpretations in connection with the Gramm-Rudman.

In 1987, a failure to receive 100 percent appropriations threatened closing. The point is that Douglas cannot withstand further reduction in its impact aid programs. I am also concerned about the lack of funding for the school construction account. Even if this account is fully funded at $27,000,000, it does not come close to meeting the identified need.

There are projects on 815 construction priority list that would use nearly all that funding in one project. The pre-school district and others in South Dakota are in desperate need of facilities. They have been on the priority list for years and years moving up and down to no avail Some cannot hold out much longer.

I thank the subcommittee for its time and consideration. Thirty-nine school districts in South Dakota thank you. Thank you. I look forward to working closely with Members in the House and Senate to fill the Federal Government's commitment to our impacted school districts.

I ask that background information from the Douglas School District and a resolution from the Rosebud Sioux Tribe in South Dakota be included in the record.

Mr. Chairman, may I say it was a great pleasure to serve with you in the House. You are one of the most steady and respected men in either body.

I would like to yield for a brief summary from one of my superintendents.

Mr. NATCHER. Thank you, Senator.

We will be glad to hear from you.

Senator PRESSLER. Larry Thacker.

Mr. THACKER. First I would like to say thank you for allowing me to speak. I would like to speak in support of full funding for the full authorizing level of $835,000,000 for impact aid and give you an idea of what the current appropriations level for impact aid does to our school district.

We are currently frozen at 1987 levels, but we are actually receiving approximately 95 percent of our 1987 per pupil amount. If you look at the history of impact aid, the 1987 amount is actually the same amount that we were receiving per student in 1981. In 1990 we are trying to educate students on 1981 amounts.

What does this mean to the Todd County School District? Since August of 1988, we have been forced to eliminate 12 teaching positions, seven class room aid positions, two administrative positions, cut teaching supplies by 40 percent, cut our district travel by 40 percent and since we have 1500 square miles in our school district, this is a significant among. We have not purchased any new busses since 1988.

We had to sell all but one of our district automobiles that we use for out district transportation. We eliminated two athletic programs, we were forced to provide sack lunches for athletics for away games. We have frozen all salaries except teachers salaries which have to be negotiated.

We have increased the rent for our district housing by 35 percent. In general, we have reduced expenditures in all areas.

We are facing a local property tax increase of approximately 30 percent, and due to the amount of taxable property we have in our school district, that will raise only $100,000.

The Todd County School District is one of the poorest counties in the nation. We have unemployment approaching 90 percent, and have alcohol and drug abuse problems which are appalling, we have close to the highest teenage pregnancy rate in the state, we have severe language delay problems associated with the bilingual culture and rural isolation, fetal alcohol syndrome is prevalent among our young and adult population, and hunger is a constant companion of many of our students and adults.

Yes—we receive federal categorical programs dollars such as chapter 1 and Indian Education Act, but these programs only supplement what has to be a strong basic program. Our problems at Todd County is in "keeping" or perhaps I should say "making" our basic program strong. At present, we cannot, unfortunately make the claim that our basic program is as strong as it should be.

Why is the Federal Government reneging upon its responsibility to provide adequate funding for impact aid? The purpose of impact aid is to provide funds to replace the local taxes lot due to federal impacting. We cannot provide the quality education which is so vitally important to the people of the Rosebud in 1981 dollars.

Impact aid should be fully funded. It is understood that the $1,700,000,000 it would take to fully fund the program is not likely, however, the $835,000,000 which is the authorized amount for impact aid for fiscal year 1991 is an amount which can be appropriated.

The Federal Government has a responsibility to the students in impacted districts. The Federal Government must live up to that responsibility.

Mr. NATCHER. Thank you, gentlemen. You have given us an excellent statement.

[The information follows:]

# STATEMENT OF SENATOR LARRY PRESSLER
BEFORE THE HOUSE EDUCATION APPROPRIATIONS SUBCOMMITTEE
HEARING ON IMPACT AID PROGRAM APPROPRIATIONS
APRIL 26, 1990

Mr. Chairman, members of the Subcommittee, I thank you for giving me an opportunity to testify. Chairman Natcher, I commend you for recognizing the importance of this program and calling these hearings. I am accompanied today by Dr. Larry Thacker, Superintendent of the Todd County School District in South Dakota and Dr. Arnold Wold of the Winner School District.

I am here on behalf of the 6,709 Category A students and 3,693 Category B students in my state of South Dakota. I am here today, as are the many other members of Congress, to express both my support and my concern.

I support funding the Impact Aid program at the fully authorized level of $835 million under Public Law 81-874 and $27 million under Public Law 81-815 for School Construction. I urge this committee to include at least this amount in its appropriations recommendations. As a strong advocate for reducing our budget deficit, I do not make such recommendations lightly. But the Impact Aid program is that important.

I am concerned that, if these amounts are not appropriated, some schools in my state will not be able to keep functioning at current levels of operation. I do not want to consume the committee's time reviewing the technical aspects of the Impact Aid program. I simply want to share a few examples of how important this funding is to thirty-nine school districts in South Dakota.

First of all, because federal Impact Aid payments have not kept up with the cost of operation or inflation, some heavily impacted districts in my state already have had to cut back on [illegible] I received hundreds of letters from students at He Dog and Littleburg Elementary Schools in the Todd County School District, urging us to appropriate more for Impact Aid so their schools could continue to offer some of the programs they enjoy. Todd County School District is approximately 80 percent impacted and currently faces a $500,000 funding shortfall.

We in South Dakota are proud to host Ellsworth Air Force Base. The Douglas School District provides education to some 2,800 students, 77 percent of whom are dependents of military personnel assigned to Ellsworth. As a heavily impacted military district, the Douglas funding situation from year to year is extremely fragile. According to Superintendent John Sweet, in 1973 Douglas was temporarily closed because of funding shortfalls. In 1983 it was nearly closed due to a Department of Education ruling on rates. In 1986, the district faced extreme cuts as a result of proration interpretations in connection with Gramm-Rudman. In 1987, a failure to receive 100 percent appropriation again threatened closing. The point is that Douglas cannot withstand further reductions in its impact aid payments.

I am also concerned about the lack of funding for the School Construction Account under Public Law 81-815. Even if this account is fully funded at $27 million, it does not come close to meeting the identified need. In fact, there are projects on the 815 construction priority list that would use up nearly all of that funding in one project. Dupree School District and others in South Dakota are in desperate need of facilities. They have been on the priority list for years and years, moving up and down, to no avail. Some cannot hold out much longer. Funding essentially one project per year does not even scratch the surface. Something more should be done.

I thank the subcommittee for its time and consideration. Thirty-nine school districts in South Dakota thank you. I look forward to working closely with members in the House and Senate to fulfill the federal government's commitment to our impacted school districts. No issue is more important than the education of our children.

I ask that background information from the Douglas School District and a resolution from the Rosebud Sioux Tribe in South Dakota be included in the hearing record.

Thank you.

ROSEBUD SIOUX TRIBE
RESOLUTION NO. 90-20

WHEREAS, the Rosebud Sioux Tribe is a federally recognized Indian Tribe organized pursuant to the Indian Reorganization Act of 1934 and all pertinent amendments thereof; and

WHEREAS, Article IV, Section 1(a) of the RST Constitution gives the Tribal Council authority "to negotiate with federal, state and local governments on behalf of the Tribe..."; and

WHEREAS, this resolution be considered emergency legislation per RST Ordinance No. 86-08, Section 400; and

WHEREAS, Public Law 100-297, reauthorizing the Impact Aid (PL 81-874) and School Construction (PL 81-815) programs through FY-93 calls for Impact Aid and School Construction to be funded in FY-91 at $835 million and $27 million respectively; and

WHEREAS, the dollar amount needed to fully fund the formula contained in PL 100-297 would equal $1.7 billion; and

WHEREAS, the annual increase in the cost of education has averaged at or near 7 percent over the past 6 years; and

WHEREAS, the funding levels currently received by both category "A" and category "B" school districts is at or below the amount received in FY-87; and

WHEREAS, the Impact Aid community recognizes the pressures Congress and the Administration are facing to reduce the budget deficit; and

WHEREAS, the current funding levels of PL 81-874, at the FY-87 level, has resulted in our own Todd County School District facing an FY-91 deficit of $500,000 plus; and

WHEREAS, the Education Committee has reviewed and recommends RST Council approval of this resolution; now

THEREFORE BE IT RESOLVED, that Congress make every attempt to provide full funding at $1.7 billion for Impact Aid and School Construction in FY-91; and

BE IT FURTHER RESOLVED, that in the event that the Congress, as directed by the House and Senate Appropriation Committees, cannot realistically fully fund the Impact Aid Program, they should provide a minimum funding level which recognizes the increased educational cost Impact Aid districts are faced with and their inability to receive Impact Aid funding at a level any higher than what they received in FY-87. That level should not be less than $610 million

ROSEBUD SIOUX TRIBE
RESOLUTION NO. 90-20

for category "A" districts; $135 million for category "B" districts, and $127 million for school construction. It should be clear that the minimum funding levels are to be defined as minimum and should not be construed to mean that this is adequate. Adequate funding should be only interpreted as receiving the full amount authorized for in FY-91; and

BE IT FURTHER RESOLVED, that the Rosebud Sioux Tribal Council fully supports the Todd County School District and other affected public schools to get Impact Aid fully funded, per PL 100-297, and request the South Dakota Congressional Delegation to support our efforts.

## CERTIFICATION

This is to certify that the above Resolution No. 90-20 was duly passed by the Rosebud Sioux Tribal Council in session on February 14, 1990, by a vote of ten (10) in favor, zero (0) opposed and zero (0) not voting. The said resolution was adopted pursuant to authority vested in the Council. A quorum was present.

Ralph Moran
Ralph Moran, President
Rosebud Sioux Tribe

ATTEST:

Sharon L. Burnette
Sharon L. Burnette, Secretary
Rosebud Sioux Tribe

DOUGLAS SCHOOL DISTRICT #51-1
1 PATRIOT DRIVE
ELLSWORTH AIR FORCE BASE
SOUTH DAKOTA 57706-1297
TELEPHONE (605) 923-1431

4/4/90

## STATUS REPORT

DOUGLAS SCHOOL DISTRICT #51-1
1 PATRIOT DRIVE
ELLSWORTH AFB, SD 57706
PHONE: 605-923-1431
FAX: 605-923-6387

Prepared By: John M. Sweet, Ed.D., Superintendent

### Purpose

To provide an overview of the importance of P.L. 81-874 funding for the Douglas School District.

### Profile of Douglas School District

Douglas School District provides educational programs for approximately 2,800 students K-12, 77% of whom are dependents of military personnel assigned to Ellsworth AFB, as well as pre-school, adult basic education, and community education programs.

The district has a very low tax base, less than $25M, making it very dependent on impact aid. The taxable value per average daily membership is $8,698 as compared to the state average of $61,657 per ADM ranking the district 189 out of 191. The district can raise $319 per average daily membership as compared to the state average of $1,794 per ADM ranking the district 188 out of 191.

### Financial Requirements FY'90 General and Special Education Funds

| | | |
|---|---|---|
| Total General and Special Education Budget | 9.1 | $9,063,487 |
| State Aid | 3.1 | 3,064,309 |
| Local Support (including County) | 1.3 | 1,339,007 |
| Federal Support (other than Impact Aid) | .2 | 206,455 |
| Anticipated Impact Aid | 4.4 | 4,453,716 |

The budget is based on an estimated per pupil cost of $3,231.

[illegible]glas School District consistently qualifies for Section 3(d)2(B) [illegible] P.L. 81-874 because the district is more than 50% impacted, it taxes at or above the state average and after local, state, and "normal" federal revenues it cannot provide a comparable education with other districts in the state.

Approximately $2,000,000 of the federal revenues come from Section 3(d)2(B). This represents a sizable portion of the budget, about 22%, and without it the district would have a very difficult time, if not impossible, to continue operations.

## Financial Problems Related to Funding Sources

Many federally impacted districts are suffering some financial problems as the appropriation for impact aid does not keep up with the authorized level as set in the law. It is the opinion of school officials that these financial problems will soon beset other impacted districts including Douglas, as the cost of operation and inflation exceeds available revenue.

The State of South Dakota has imposed a freeze on property taxes, the primary source of funding for education in South Dakota. State aid for FY'91 is increased over prior years, but is significantly less than what was normally available through local revenues and increased state aid before the tax freeze.

Local taxpayers feel they are subsidizing the federal government as the federal presence creates a need for educational services but doesn't provide it's fair share of the funding in relation to the number of federally connected students. Seventy-seven percent of the students are federally connected (63% A's and 14% B's) but P.L. 81-874 provides only 56% of the revenues.

If an election was needed to raise money for schools, there is the problem that the civilian property owner could have a tax increase imposed upon him by non-tax paying federal employees who reside on non-taxable federal property. This would be viewed as taxation without representation by the property owners.

## Per Pupil Costs

In FY'89 the per pupil cost at Douglas was $3,041 compared to the state average of $3,167. Douglas' per pupil cost ranked 146 out of 191 school districts in the state.

The district experiences a 25% turnover of students each year. There are costs associated with a mobile student population in assisting them to adjust academically and socially.

The district provides an excellent special education program. Military personnel have been known to request assignment to Ellsworth AFB because of the special education program at Douglas. This is own as selective migration in the special education literature and is a phenomenon that causes a financial burden. The school district's general fund subsidizes the special education fund in the amount of $106,807 for FY'90 due to shortfalls in the special education funding.

The district is currently educating 26 students who are living with relatives (13 of which are military personnel) who have taken these children in due to hardship conditions that exist in the child's home out of state. There is no funding that follows these students to Douglas.

The district subsidizes the Adult Basic Education program due to a lack of funding for these services. This program serves foreign born military spouses who need training to become American citizens or to pass the high school equivalency exams. This population also creates a need for English as a second language program for children in school, which the district provides.

Military personnel assigned to Ellsworth AFB expect and deserve educational programs comparable to the programs experienced at their other duty stations. The school district does its best with the resources available to accommodate these expectations.

## Cost Containment Measures

In FY'89 the district went through a budget reallocation process that limited field trips, staff travel, and other expenditures in order to provide teachers with a much needed raise in salary to stay somewhat competitive with area schools. In FY'91 the staff will be reduced through attrition in order to provide $1,100 in raises provided for by state monies. A total of $192,600 will be provided by the state but the district will only have budget capacity to increase the budget by about $150,000 in order to stay eligible for 3(d)2(B). It is not known how money will be provided for raises for the other 167 employees. South Dakota teachers rank 51st in the nation in salaries.

## Effect of Continued Shortfalls in Federal Funding

Douglas has experienced a long history of funding problems. In 1973 the school closed in April due to a lack of funds. In 1983 it was near closing due to Department of Education ruling on rates. In 1986 the district faced extreme cuts as a result of proration interpretations in connection with Gramm-Rudman-Hollings. In 1987 a failure to receive 100% appropriation threatened closing.

The financial condition of Douglas Schools is fragile. There are no ways to counteract sudden changes in federal funding or unexpected interpretations from the Department of Education. Both of those situations are likely to occur from time to time when the impact aid program is not sufficiently funded because there is tampering with the existing formulas in order to solve the problems created by the ck of funding. In addition, a technical amendment to the law in 989 restricted the amount allocated to Section 3(d)2(B). As shortfalls continue to occur, this important element of funding for Douglas Schools could become jeopardized.

Solutions

Fund the program at least to the authorized level for FY'91 in the amount of $835M.

Remove the $20M cap on 3(d)2(B) if the needs exceed this amount.

Fund Section 306 grants in order for schools to avert a crisis created by funding shortfalls and unexpected interpretations of the law.

Carefully study the feasibility of transferring funding of military impacted schools to DOD.

# Need for Impact Aid in the Douglas Public Schools

## Impact Aid Need

(information based on 1988-89 general & special ed funds)

| | | |
|---|---|---|
| o number of students enrolled | 2,805 | |
| o state per pupil cost | X $3,193 | |
| o total operating budget needed to provide an educational program just at the average of South Dakota schools | | $ 8,956,680 |
| o local support received | $ 1,097,200 | |
| o state support received | 3,199,309 | |
| o federal support received (other than impact aid) | 206,455 | |
| **o total local, state, and other federal support** | | $ 4,502,964 |
| o difference (money that must come from impact aid to just provide an educational program at the state average) | | $ 4,453,716 |
| o impact aid received | | -$ 2,453,716 |
| o shortfall | | $ 2,000,000 ** |

****If Department of Education does not approve and fully fund 3(d)2(B) application, Douglas could lose approximately 88 staff members, which would threaten closing of the school.**

## Impact Aid Eliminated

| | |
|---|---|
| o impact aid need | $ 4,453,716 |

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 198 staff members and Douglas would be forced to close the school.**

Todd County School District No. 66-1

T. LARRY THACKER, Ed.D., SUPERINTENDENT
(605) 856-4457
FAX Number 856-2449

P.O. BOX 87
MISSION, SOUTH DAKOTA 57555

April 24, 1990

The Honorable William H. Natcher, Chairman
Sub Committee for Labor, HHS, and Education
House Appropriations Committee

Dear Chairman Natcher:

The purpose of this testimony is to support funding for Impact Aid at the full authorized level of 835 million and to illustrate the plight of the Todd County Schools. We receive between 50 to 60 percent of our yearly income from P.L. 81-874, Impact Aid. As of the most recent reauthorization of the law, Super A districts such as Todd County are for all practical purposes frozen at the 1987 per pupil amount. The appropriations for the program have been such that we are receiving only 95% of the 1987 per pupil amount. We are trying to educate students in 1990 on an amount less than we received in 1987. If you review the appropriations history you will see that the 1987 per pupil payment is approximately equal to the per pupil amount received in 1981. It would be interesting to see what General Motors could do if its income level were at the 1981 level. Even more interesting would be the reaction of the Department of Defense if appropriations were at the 1981 level.

What does funding at 95% of the 1987 per pupil level mean to the Todd County School District? Since August of 1988, we have been forced to eliminate twelve teaching positions, seven classroom aide positions, two administrative positions, cut teaching supplies by 40%, cut travel by 40%, cease purchasing new busses, sell all but one district automobile, eliminate two athletic programs, provide sack lunches for athletes for away games, freeze all salaries except teacher salaries which have to be negotiated, increase the rent for district housing by 35%, and in general, reduce expenditures in all areas. We are currently facing a local property tax increase of approximately 30%. Since 1988, we have been forced to cut our general fund budget of 7.3 million dollars by more than one million dollars.

Todd County is one of the poorest counties in the nation, we have unemployment approaching 90%, we have alcohol and drug abuse problems which are appalling, we have close to the highest teenage pregnancy rate in the state, we have severe language delay problems associated with a bilingual culture and rural isolation, fetal alcohol syndrome is prevalent among our youth and adult population, and hunger is a constant companion of many of our students and adults. Yes - we receive federal categorial programs dollars such as Chapter 1 and Indian Education Act, but these programs only supplement what has to be a strong basic program. Our problems at Todd County is in "keeping" or perhaps I should say "making" our basic program strong. At present, we cannot, unfortunately make the claim that our basic program is as strong as it should be.

Why is the federal government reneging upon its responsibilitity to provide adequate funding for Impact Aid? The purpose of Impact Aid is to provide funds to replace the local taxes lost due to federal impaction. We cannot provide the quality education which is so vitally important to the people of the Rosebud on 1981 dollars. Impact Aid should be fully funded. It is understood that the 1.7 billion dollars it would take to fully fund the program is not likely, however, the 835 million which is the authorized amount for Impact Aid for FY 91 is an amount which can be appropriated. The federal government has a responsibility to the students in impacted districts. The federal government must live up to that responsibility.

Professionally,

T. Larry Thacker

T. Larry Thacker, Ed.D.
Superintendent

TLT:plh

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. AL SWIFT, REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Our next witness is Mr. Al Swift.

Come around, Mr. Swift.

We are pleased to have you before the committee at this time.

Mr. SWIFT. Thank you.

The need to support the school districts that are impacted by the presence of the Federal Government is as important today as it was 40 years ago when the program first began. We have been fortunate, Mr. Chairman, that these federally impacted school districts have continued to receive funding despite attempts by past Administrations to severely reduce the program and to eliminate funding for the "B" Category students altogether.

This year, however, is a bit different in that the President's budget included funding for both the A and B students as well as related school construction funding. While the President's recommendations are far less than what is necessary to meet the needs of these school districts, it is a step in the right direction.

Mr. Chairman, I would like to take a few moments to discuss how the impact funding affects my district, the northwest corner of Washington State. My district is the home of 15 Indian Tribes—from the Lummis of Whatcom County to the Quinaults of Grays Harbor County. Without the school construction funding, the Taholah School District would not have a new high school to look forward to. The Ferndale School District in Whatcom County has nearly 375 Indian students whose parents, by treaty rights, pay no property taxes to support the school system.

The cost to educate these children is nearly $1,500,000. Last year, Ferndale received $344,925 in impact aid funding leaving an additional $1,005,000 needed for education to be provided through nonfederal sources.

My district is also impacted by the Naval Air Station on Whidbey Island where over 3800 A and B students attend the Oak Harbor School District as the prospect of passing a school levy in a community where most of the voters are retired is extremely remote. And in 1992, the Snohomish County School Districts will need to serve a new influx of students resulting from the opening of the Everett Navy Homeport.

In each case, the amount entitled to my school districts under the formula to serve these students has been substantially more than what was actually appropriated.

Mr. Chairman, I don't need to tell you or the Members of the committee about the challenges faced by the teachers and administrators in my school districts and every other school district in the nation. From the children who are at-risk because their families live in poverty to the children who move frequently with each change of duty, it is important that we remain committed to the impact aid program if we want these children to receive a comparable education to the children in areas that are not impacted by the Federal Government.

At a minimum, I urge the funding for impact aid and school construction be maintained at last year's levels.

I would be remiss if I did not conclude by suggesting you are the annual hero of impact aid. Your consistent support for this year after year is essential.

I firmly believe without you this program would be in much worse shape than it is. I personally thank you and stand ready to take any instructions from you that you might offer in any way I can assist you seeing that figure you come up with is passed when it comes to the Floor of the House.

Mr. NATCHER. Thank you, Mr. Swift.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. HERBERT BATEMAN, REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. NATCHER. Our next witness is Mr. Bateman. We will be glad to hear from you at this time.

Mr. BATEMAN. Thank you, Mr. Chairman, Mr. Conte.

It is always a pleasure to be here to discuss with you the future of impact aid programs and to thank you for your support which has been vital to this program in the last decade.

The first Congressional District of Virginia, which I represent, provides a perfect example of the need for the continued adequate funding of the impact aid program. The population center in my district lies on the southern end of the Peninsula between the James and York Rivers and consists of the cities of Hampton, Poquoson and Newport News and York County.

In this area I have the privilege to represent Fort Lewis, the headquarters for the Army and Navy Command, Fort Monroe, Langley Field, home of the Tactical Air Command and a major NASA research facility. The Colonial Historical National Park, the Yorktown Naval Weapons Center, the Coast Guard Reserve Training Center and a Department of Energy research project.

These facilities in conjunction with a ship building dry dock company provide the economic backbone of the North Hampton Roads area. However, while they provide a large degree of financial stability to the area in recent years, this is not always the case and may not be so in the future. These facilities also pose serious financial problems for local governments. Whereas Newport News shipbuilding employs nearly 30,000 people and pays millions of dollars in taxes to local government, government installations which I listed employ roughly, the same number of people and pay no local taxes.

Local governments derive the bulk of their revenue from property and sales taxes, but many military personnel work and live in non-taxable federal property.

Even if they live off base, they escape local taxes on their cars and other vehicles and shop in the sales tax exempt post exchanges. This denies localities revenues on what would otherwise be taxable commercial and residential property and taxable commercial sales. Despite the severe erosion of the local tax base, localities must still provide services to the military families that live in their communities.

One of the most important of these services is, of course, a free public education. Local governments also loses revenue on the large federal civilian work force who pay personal property taxes and sales taxes, but whose place of business escapes taxation.

In an effort to help alleviate the physical burdens created by the federal presence, Congress created the impact aid in 1950. Since that time this program has provided essential payments to local school districts to make up for lost revenues and allow those communities to provide a sort of quality education which both local students and children of members of our Armed Services deserve.

Unfortunately, program funding, especially Section 3(d) payments, has not kept up with the rising cost of providing an education during the 1980's. Your committee has, of course, repeatedly come to the program's rescue, providing additional funds when possible and overturning efforts to eliminate B payments.

It is encouraging that this year the Administration asked for funding for the important low rent housing portion of Section 3(B). I encourage you to also provide funding for the equally important military and civilian employee "B's." I encourage you to fund the impact aid program at the full authorization level of $835,000,000 and to earmark at least $145,000,000 for Section 3(B) payments and $24,000,000 for Section 2 payments.

I believe that federal education programs should help those most in need, should be as simple as possible to administer and should maintain the greatest possible level of these efforts. Therefore, I urge you to continue your past appreciated support for this program.

Thank you very much.

Mr. Natcher. Thank you, Mr. Bateman.

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Thursday, April 26, 1990.

## IMPACT AID

### WITNESS

### HON. GLEN BROWDER, REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. Natcher. Mr. Glen Browder?

Mr. Browder. Thank you, Mr. Chairman.

This is a serious assignment. Like my colleagues, it is a real pleasure to appear before the subcommittee of the annual hero. It is my pleasure to be here today.

I would like to talk very briefly about impact aid and then discuss a hidden impact that it seems we ignore.

Let me begin by introducing you to Heidi Pawsat, a senior at Jacksonville High School. She is an honors student, a member of the National Honor Society, Mu Alpha Theta math society, the Student Council and the Science Club. Her ambition is to be a meteorologist. According to her principal, Mr. McKay, she is typical of the service connected student at the school—well rounded and in the advanced track.

In part it is due to impact aid that her school can provide programs that match her talents.

This is true in spite of the fact that the Jacksonville school system received only $182,000 out of approximately $500,000 to which it is entitled under the impact aid program formula.

How much more could we do for these students had impact aid been fully funded.

I think that this is a valid question to ask of this committee because Heidi is only temporarily my constituent. Her home is in Texas. Texas. I repeat that word because this is an important point. Mr. Chairman, and Members of the subcommittee, Federal Impact Aid helps my schools in Alabama educate the children from your districts, from throughout the country.

And I am pleased to tell you that, even though impact aid has been consistently underfunded, we are doing a good job educating your children. Just as you are doing a good job educating ours.

This will not remain as true if Section 3(b) impact aid is cut, as the President has recommended, in next year's budget.

Ms. Pawsat is exemplary of the best. But administrators also told me that additional problems sometimes come with students who are highly mobile and must frequently change friends and teachers when their parents are transferred.

Young people who must adjust to new surroundings, who must face the stress of a parent being away for extended times, bring with them unique problems that the school system must be able to assist them through.

Another hidden impact is federal retirees who are attracted to the area by its proximity to a military base. These are often people in their late 30's or early 40's who still have school-age children. They often have not contributed to the tax base prior to moving to the area, so the school is unprepared for them.

Yet their children often bring the same educational needs or emotional problems to the system as do the children of active military personnel. Clearly this falls within the definition of why we began impact aid.

I am not here to ask that impact aid be expanded; I know that is not within this committee's jurisdiction. I am here to say that we should recognize the federal responsibility is only partially cared for.

To the argument that impact aid is a luxury we cannot afford in a time of tight budgets, I say that money spent on education is not a luxury, and any effort that diminishes education is no savings.

Thank you for this opportunity, Mr. Chairman.

Mr. NATCHER. Thank you, Mr. Browder.

The committee will now recess.

We have a quorum call and a five minute vote. We will come right back.

[Brief recess.]

[The written statement follows:]

# TESTIMONY
# OF
# THE HONORABLE GLEN BROWDER
# THIRD DISTRICT OF ALABAMA

STATEMENT ON THE FEDERAL IMPACT AID PROGRAM, GIVEN BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION OF THE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN

April 26, 1990

Mr. Chairman,

Thank you for allowing me to present testimony in support of the Impact Aid program and its importance to everyone interested in a quality education for our nation's youth and especially the children of those in public service to our country.

The federal government in creating the Impact Aid program in 1950 recognized its responsibility to compensate school systems that must educate children whose parents work on non-taxable federal property. Schools in the Third District of Alabama host the children of workers at Fort McClellan, the Anniston Army Depot, Fort Benning, Georgia, Gunter Air Force Base and Maxwell Air Force Base. We also have a number of federally funded housing projects that have an impact on our school districts. Today, I want to go over the highlights of what funding Impact Aid yields, the duty we have to local school systems to continue this aid, and discuss briefly a hidden impact that we have heretofore ignored.

Let me begin by introducing you to Heidi Pawsat, a senior at Jacksonville High School. She is an Honors student, a member of the National Honor Society, Mu Alpha Theta math society, the Student Council and the Science Club. Her ambition is to be a meteorologist. According to her Principal, Mr. McKay, she is typical of the service connected student at the school -- well rounded and in the advanced track. In part it is due to Impact Aid that her school can provide programs that match her talents.

The Jacksonville City Board of Education uses its Impact Aid to help off-set the cost of 17 additional teachers over the number funded by the state. These additional teachers allow the school to offer a complete gifted program, advanced math and science instruction, and German, French and Spanish classes. This is true in spite of the fact that the Jacksonville school system received only $182,000 out of approximately a half-million dollars to which it is entitled under the Impact Aid program formula. That is less than $280 per pupil for the 650 federally connected students who attended Jacksonville, a school system that spends on average $2,955 per pupil. How much more could we do for these students had Impact Aid been fully funded?

I think that this is a valid question to ask of this committee because Heidi is only temporarily my constituent. Her home is in Texas. Texas! I repeat that word because this is an important point. Mr. Chairman and members of the committee, Federal Impact Aid helps my schools in Alabama educate the children from your districts, from throughout the country. And I am pleased to tell you that, even though Impact Aid has been consistently underfunded, we are doing a good job educating your children!

This will not remain as true if Section 3(b) Impact Aid is cut, as the President has recommended, in next year's budget. Fort McClellan and the Anniston Army Depot have a heavy impact on Jacksonville schools, but only half of the compensation received last year was for on-post, military-related children. If funding for Section 3(b) students, the children of federal employees who live off post, is further cut, the programs available for all the children of federally impacted schools will have to be reduced. Losing the $91,000 that compensates the school for Section 3(b) students is the equivalent loss of four teachers to Jacksonville.

Miss Pawsat is exemplary of the best. She is the norm for Alabama schools in my district and I take great pride in that and in the ability of my district's schools to help those young people reach the zenith of their talents. But administrators also told me that additional problems sometimes come with students who are highly mobile and must frequently change friends and teachers when their parents are transferred. Young people who must adjust to new surroundings, who must face the stress of a parent being away for extended times, bring with them unique problems that the school system must be able to assist them through. Dr. Herb Griffen, Assistant Superintendent of the Oxford City School System, told me last week it is not unusual at all for his schools to have extra expenses incurred due to federally connected students. To off-set those added expenses at Oxford last year Impact Aid paid $60,000, less than 33 percent of the impact level the law says is the federal government's responsibility.

In my discussion with Dr. Griffen, he noted the school must deal with many problem areas that Impact Aid does not recognize. One of these hidden impacts is federal retirees who are attracted to the area by its proximity to a military base. These are often people in their late 30s or early 40s who still have school-age children. They often have not contributed to the tax base prior to moving to the area, so the school is unprepared for them. Yet their children often bring the same educational needs or emotional problems to the system as do the children of active military personnel. Clearly this falls within the definition of why we began Impact Aid since a federal activity causes an increase in the number of children the local school district must educate. Yet the system does not receive compensation for these children. It is a hidden impact.

I am not here to ask that Impact Aid be expanded; I know that is not within this committee's jurisdiction. I am here to say that we should recognize the federal responsibility and that even at full funding, how that responsibility is only partially cared for. To the argument that Impact Aid is a luxury we cannot afford in a time of tight budgets, I say that money spent on education is not a luxury, and any effort that diminishes education is no savings.

The federal government by providing Impact Aid recognizes its responsibility to the community that hosts a federal facility and offers to military and civil service families, who often have little choice on where they will live, a guarantee that their children will receive the same quality education that would have been available to them in their home state. Mr. Chairman, I submit that Impact Aid is not a parochial issue of this one Congressman, but is an issue for every Representative who cares about his or her constituents and for every American who is concerned for our future generations.

I ask that this committee fully fund the Impact Aid program because it is a productive education program. We have an undeniable responsibility to these school systems because federal activities put demands, positive and negative, on them.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. OWEN PICKETT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. NATCHER. Our next witness is Mr. Owen Pickett from the State of Virginia. Mr. Pickett, it is a pleasure to have you before the committee.

We would be pleased to hear from you.

Mr. PICKETT. Thank you, Mr. Chairman. I appreciate the opportunity to appear before your subcommittee today to speak in support of the Impact Aid Program.

The 2nd District of Virginia, which I represent, has a large military presence of which we are very proud. But this large presence does result in demands on local resources, particularly educational resources, that can only be met if the revenue foregone on the federal facilities is partly made up in some other way.

Impact Aid helps our local school districts provide quality education programs. For the last 40 years now our local governments have depended upon Impact Aid as an important source of funding for our local school districts.

I applaud the President for including Section 3(b) funding in his budget proposal for fiscal year 1991. However, by assisting only those living in federally-subsidized, low-income housing, the budget proposal does not fund the program adequately to provide for all category B children.

Mr. Chairman, I am keenly aware of the fiscal limitations under which our subcommittee is operating. You and your committee have shown sensitivity to and concern for the Impact Aid Program in the past and I want to thank you for that.

I strongly urge you to continue the Impact Aid Program, at least at current levels, for both category A and category B students. This funding will help ensure that these young people continue to get a quality public education

Thank you for your indulgence, sir.

Mr. NATCHER. Mr. Pickett, thank you. We appreciate your appearance.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. RICHARD STALLINGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO

Mr. NATCHER. Our next witness is Mr. Richard Stallings. We will be glad to hear from you at this time.

Mr. STALLINGS. Thank you, Mr. Chairman. I appreciate this opportunity. First of all, I want to express my gratitude to you and this committee for the tremendous job you have done in the past in keeping this program alive.

The school kids, the teachers, and the superintendents of the school districts in Idaho are very grateful.

Let me introduce two superintendents from Idaho that are here with me today. On my left is Mr. Harry Light, Superintendent of the Mountain Home School District. Mountain Home is the site of a significant Air Force Base.

On my right is Duane Wren, an Assistant Superintendent of the Blackfoot School district, which is the site of a significant Indian reservation, both of which are heavily dependent on the Impact Aid, and both of them are here because of the importance of this issue.

So I want to thank you for this opportunity to testify on behalf of the Federal Impact Aid Program. Your assistance, of course, has been awfully important in the past. In my home state of Idaho, Federal Impact Aid and federal impact is a fact of life.

Nearly two-thirds of all the land in Idaho is owned by the Federal Government. Forest Service owns more than 20 million acres, the Bureau of Land Management, another 12 million acres, over 400,000 acres are owned by the Bureau of Reclamation, and more than 570,000 acres are owned by the Department of Energy in connection with the Idaho National Engineering Laboratory in Idaho Falls.

The list goes on. Of course, there are people involved here, too. The Federal Government employs significant numbers of Idaho citizens in everything from the Forest Service to the U.S. Air Force, and that list could go on as well.

For federally impacted schools in my district, Mr. Chairman, every budget presents a potential crisis. Property taxes are the main source of revenue for public school districts. Where the Federal Government is a principal property owner, it has a clear responsibility to contribute to the local school district, as would any other property owner.

In the absence of the Impact Aid Program, school districts will be forced to significantly increase their community tax burden or reduce educational services for our children.

Neither of these options are acceptable to me. Impact Aid is nothing more than the responsible Federal Government accepting its responsibility and paying its share of the bill.

Nearly one-fourth of the schools in Idaho are eligible for Impact Aid, and this source of revenue is one that they cannot do without. In my district, the Federal Impact Aid Program includes more than 10,000 students in 18 different school districts.

While this meant an infusion of more than $3,000,000 to these school districts in 1989, this amount was less than half—less than half of what they had been authorized to receive. Mr. Chairman, it is time to reverse this trend.

At a time when the quality of education in America is at the top of the national agenda, at a time when we have a President who wants to be the education President, this is a program that we need to fund fully.

The Impact Aid Program is a proven successful partnership between the Federal Government and the local school districts. As you consider the 1991 appropriations, I urge the subcommittee to appropriate the fully authorized amount for the Impact Aid Program.

It is important to Idaho. It is important to our children. Mr. Chairman, again, I thank you for this opportunity to testify, and I will be willing to work with you in any way to see that this does, in fact, take place.

Mr. **Natcher.** Thank you, Mr. Stallings. We want to thank you two gentlemen that appeared. Thank you very much.

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Thursday, April 26, 1990.

## IMPACT AID

### WITNESS

### HON. WILLIAM HUGHES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Our next witness is Bill Hughes from New Jersey. Come around, Mr. Hughes.

Mr. Hughes, it is a pleasure to have you before our subcommittee. I will go with you to Avalon any day of the week.

Mr. **Hughes.** Mr. Chairman, I am leaving in about an hour, so it will be my pleasure.

Well, thank you, Mr. Chairman. I am very privileged to appear before this very distinguished subcommittee on the importance of Impact Aid to my district and to the country. The second congressional district, Mr. Chairman, which I know you know very well, consists of some five southern counties of the state.

It has some ten school districts, which rely on Impact Aid. Nine of these school districts have category B federally funded students and one school district, the City of Cape May, has both A and B students. I know you know Cape May City likewise. Since the Cape May City schools have the greatest percentage of Impact Aid, I thought I ought to take just a couple minutes and talk to you about their particular situation.

As you know, the only Coast Guard training center in the country is located in Cape May, New Jersey. There are over 737 officers, enlisted members, and civilians stationed in Cape May. As a result, approximately 60 percent of the students in the City of Cape May school system are federally connected—56 to 58 percent from Coast Guard families, category A students, and less than 5 percent from families living in public housing, category B students.

In the current school year for the City of Cape May, the budget cost per student is some $5,740. The federal payment for a category A student is some $1,775, and the payment for a category B student is some $1,200.

This results in a shortfall of $3,965 for each A student and $4,540 for each B student. This level of funding, with 143 A students and 20 B students leaves the Cape May school system with a deficit of $657,795.

Mr. Chairman, as I indicated, you know Cape May. It is one of the nations oldest seashore resorts with a year-round population of only 5,000 people. As in the case of most seashore communities like Avalon, many of the residents are retired, living on fixed incomes.

It is unfair to ask the retirees of Cape May, which comprise about 50 percent of the population, to pick up the cost of educating children who are there because of the Federal Government and whose parents make no contribution whatsoever to the local property tax base and, implicitly, the cost of their children's education.

The level of Impact Aid over the past few years has taken its toll on the education that federally impacted schools have been able to offer. Nobody knows that more than you do. Because of the funding shortfalls caused by the decrease in Impact Aid over the past three years, the Cape May school board has been forced to abandon plans for a new foreign language program and is currently examining proposals for the reduction or elimination of programs.

Additionally, the system is losing a number of teachers by attrition who, given the current fiscal crisis, may not be replaced. The local taxpayers cannot continually pick up the tab left by the Federal Government.

If Impact Aid is further reduced, the Cape May City school system will be forced to implement program reductions and take other measures which will reduce the quality of education for all the students.

Mr. Chairman, if we hope to make real progress in improving the education of our young people so that they can effectively compete with their international counterparts, we need to put our money where our mouth is.

I would urge the subcommittee to fund the Impact Aid Program to the maximum extent possible. Mr. Chairman, all we are asking for is fairness. Thank you.

Mr. NATCHER. Mr. Hughes, thank you very much.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. JOSEPH BRENNAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Mr. NATCHER. Our next witness is Mr. Joseph Brennan. Come around, Mr. Brennan. We will be pleased to hear from you at this time.

Mr. BRENNAN. Thank you very much, Mr. Chairman.

I am delighted to be here with the Superintendent of Schools of Limestone, Maine, the home of Loring Air Force Base.

Mr. NATCHER. We are delighted to have you with us.

Mr. BRENNAN. I want to thank you for holding this hearing for your personal efforts in support of Impact Aid over the years. I will be very brief because I know you have a lot of witnesses. I think the fact that some of my colleagues have come to testify before you today clearly demonstrates the importance of Impact Aid to the States we represent and the students and families who live in federally-impacted areas.

The President's proposal to freeze Impact Aid payments in 1991, I think, is unacceptable. In my home State of Maine, there are about 8,000 federally connected students. That is about 4 percent of

Maine's entire student population. Many of these students have special education needs, special human needs, and special economic needs.

Mr. Chairman, my State is facing a $210,000,000 shortfall. Maine receives over $3,000,000 in Impact Aid, and I think it is completely unreasonable to ask States to pick up an additional share of the Federal Government's bill.

The President's plan to freeze significant parts of Impact Aid coupled with state education cuts makes it hard to believe that commitment to education really exists.

Mr. Chairman, I urge you to continue your fight to recognize the needs of the federal-impacted students for whom the President claims we no longer have a responsibility to educate. I believe the House budget resolution is a positive step for education, and I am optimistic that we can work together to be the education congress, I think that the people of this nation want.

Again, I appreciate very much the opportunity to testify, and I thank you for your tremendous fight to help federally impacted communities, Mr. Chairman.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. DOUG BARNARD JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Mr. NATCHER. Our next witness is Mr. Doug Barnard.

Mr. Barnard, come right around.

Mr. BARNARD. Thank you, Mr. Chairman.

I appreciate very much this opportunity to appear before you today and not only our annual hero, but our perennial hero. Thank you for all you have done over the years in supporting this program and your leadership and its success over the years.

So many great things have been said today, all very worthy, about the worthiness of Impact Aid, and I will not repeat all that. I submit my statement for the record.

But I would like to talk about my own district's situation. The tenth district of Georgia is home to two military installations, Fort Gordon in my home county of Richmond, which is the Army Signal Corps Training Center and the naval supply school, the only training center of its kind in the nation is found in Athens, Georgia.

Two federal facilities impact four county school systems, McDuffie, Columbia, Richmond, and Clarke, and they add 10,000 children to the school rolls in those four counties. Were taxes collected on the federal properties in my district, the school systems would be receiving $6,291,306, but instead the payments currently total $1,147,444, a difference of over $5,000,000, and that did not go to offset loss of tax revenue to the affected schools.

In addition, Mr. Chairman, these federally connected students with their varying needs impose a greater cost to the systems educating them. A recent national survey of military category B students conducted by the National Association of Federally Impacted Schools found that 31 percent of military B students are eligible for free and reduced price lunches, 12 percent are enrolled in special education, 27 percent were not living in the district in the preceding school year, which substantiates what we have also known, for the military student is highly transit.

Forty percent are a year or more behind in reading, but are not enrolled in Chapter One Programs. Mr. Chairman, I would like to take into account that the loss of these Impact Aid payments represent a double loss to a federally impacted school system.

First, the districts are losers because they are forced to divert the use of general fund revenue which heretofore could be used for any number of other school district needs to now be used to compensate for the loss of Impact Aid dollars.

The students are still in the need of the same services, no matter how a school district does; whether they make adjustments to the existing budget or whether they are asking local taxpayers for more revenue. The bottom line is that the district is subsidizing the Federal Government, and that is just not right.

The second losers in all of this are the students. Their educational program is affected and in some instances possibly compromised because of a revenue shortage, and, Mr. Chairman, that is not right, either, so on behalf of some members of Congress and some school districts, we say thank you, and hope that we can continue to fund Impact Aid at least at the same level as we are now.

Thank you very much.

[The statement of Mr. Barnard follows:]

## STATEMENT OF REP. DOUG BARNARD, JR.

MR. CHAIRMAN:

THANK YOU FOR ALLOWING ME THE OPPORTUNITY TO ADDRESS THE COMMITTEE TODAY ON FEDERAL IMPACT AID, A SUBJECT OF MUCH CONCERN TO THE 10TH DISTRICT OF GEORGIA.

AS YOU KNOW, MR. CHAIRMAN, THE ADMINISTRATION'S BUDGET FOR FY '91 PROPOSES

PAYMENTS $98.5 MILLION BELOW THE FY '90 LEVEL. THE NET RESULT OF THIS WILL BE TO LIMIT GENERAL SCHOOL OPERATING REVENUE AT A TIME WHEN THE NEED FOR A QUALITY PUBLIC EDUCATION IN OUR NATION'S SCHOOLS IS AT A CRITICAL STAGE.

IN ADDITION, MR. CHAIRMAN, A POINT I THINK NEEDS TO BE EMPHASIZED AGAIN AND AGAIN IS THE EFFECT THE PROPOSED BUDGET WILL HAVE ON THE TAXPAYERS OF MY DISTRICT AND IN COUNTIES ALL ACROSS THE COUNTRY WHICH HAVE SCHOOL SYSTEMS EDUCATING FEDERALLY CONNECTED STUDENTS. THE

ANSWER IS OBVIOUS. THE LOCAL TAXPAYER WILL BE FORCED TO SUBSIDIZE THE COST OF EDUCATING FEDERALLY CONNECTED STUDENTS BECAUSE OF THE FAILURE OF THE FEDERAL GOVERNMENT TO MEET WHAT IS BY COMPARISON, THE GOVERNMENT'S TAX BILL FOR THE COST OF EDUCATING THE CLOSE TO 2 MILLION FEDERALLY CONNECTED STUDENTS ACROSS THE COUNTRY.

THESE STUDENTS ARE LOSERS UNDER THE BUDGET PROPOSED BY THIS ADMINISTRATION. THESE CHILDREN REPRESENT THE FUTURE OF OUR NATION, AND THEIR

CHANCE FOR A GOOD EDUCATION SHOULD NOT SUFFER BECAUSE THE FEDERAL GOVERNMENT IS UNWILLING TO MEET THEIR RESPONSIBILITY AS DEFINED IN P.L. 81-874.

MR. CHAIRMAN, LET ME SPEAK SPECIFICALLY FOR A MOMENT ABOUT THE IMPACT THE PRESIDENT'S BUDGET CUTS WOULD HAVE ON MY DISTRICT. THE 10TH DISTRICT OF GEORGIA IS HOME TO TWO MILITARY INSTALLATIONS.. FIRST, FORT GORDON, IN MY HOME COUNTY OF RICHMOND, WHICH IS THE ARMY'S SIGNAL CORPS TRAINING CENTER, AND SECONDLY, THE NAVAL SUPPLY SCHOOL, THE ONLY TRAINING

CENTER OF ITS KIND IN THE NATION, IS FOUND IN ATHENS IN CLARKE COUNTY.

THE TWO FEDERAL FACILITIES IMPACT 4 COUNTY SCHOOL SYSTEMS -- MCDUFFIE, COLUMBIA, RICHMOND AND CLARKE AND ADD 10,000 CHILDREN TO THE SCHOOL ROLLS.

WERE TAXES COLLECTED ON THE FEDERAL PROPERTIES IN MY DISTRICT, THE SCHOOL SYSTEMS WOULD BE RECEIVING $6,291,306. INSTEAD, THE PAYMENTS CURRENTLY TOTAL $1,147,444 -- A DIFFERENCE OF $5,143,862 THAT DID NOT GO TO OFFSET THE LOSS OF TAX REVENUE TO THE AFFECTED SCHOOLS.

IN ADDITION, MR. CHAIRMAN, THESE FEDERALLY CONNECTED STUDENTS, WITH THEIR VARYING NEEDS, IMPOSE A GREATER COST TO THE SYSTEMS EDUCATING THEM. A RECENT NATIONAL SURVEY OF MILITARY CATEGORY "B" STUDENTS CONDUCTED BY THE NATIONAL ASSOCIATION OF FEDERALLY IMPACTED SCHOOLS FOUND THAT 31 PERCENT OF MILITARY "B" STUDENTS ARE ELIGIBLE FOR FREE AND REDUCED PRICE LUNCHES; 12 PERCENT ARE ENROLLED IN SPECIAL EDUCATION; 27 PERCENT WERE NOT LIVING IN THE DISTRICT IN THE PRECEDING SCHOOL YEAR, WHICH

SUBSTANTIATES WHICH WE HAVE ALWAYS KNOWN -- THAT THE MILITARY STUDENT IS HIGHLY TRANSIENT. FORTY PERCENT ARE A YEAR OR MORE BEHIND IN READING, BUT ARE NOT ENROLLED IN A CHAPTER 1 PROGRAM.

MR. CHAIRMAN, I WOULD LIKE YOU TO TAKE INTO ACCOUNT THAT THE LOSS OF THESE IMPACT AID PAYMENTS REPRESENTS A DOUBLE LOSS TO A FEDERALLY IMPACTED SCHOOL SYSTEM. FIRST, THE DISTRICTS ARE LOSERS BECAUSE THEY ARE FORCED TO DIVERT THE USE OF GENERAL FUND REVENUE WHICH HERETOFORE COULD BE USED FOR ANY

NUMBER OF OTHER SCHOOL DISTRICT NEEDS, TO NOW BE USED TO COMPENSATE FOR THE LOSS OF IMPACT AID DOLLARS. THE STUDENTS ARE STILL IN NEED OF THE SAME SERVICES. NO MATTER HOW A SCHOOL DISTRICT DOES THIS, WHETHER THEY MAKE ADJUSTMENTS TO THEIR EXISTING BUDGET OR WHETHER THEY ASK LOCAL TAXPAYERS FOR MORE REVENUE, THE BOTTOM LINE IS THAT THE DISTRICT IS SUBSIDIZING THE FEDERAL GOVERNMENT. THAT IS JUST NOT RIGHT. THE SECOND LOSERS IN ALL THIS ARE THE STUDENTS. THEIR EDUCATIONAL PROGRAM IS AFFECTED AND IN SOME INSTANCES, POSSIBLY

COMPROMISED, BECAUSE OF A REVENUE SHORTAGE. AND, MR. CHAIRMAN, THAT IS JUST NOT RIGHT EITHER.

THE COST OF SCHOOL SUPPLIES AND MATERIALS CONTINUE TO RISE. TEACHERS AND OTHER SCHOOL STAFF NEED DECENT SALARIES. THE DEPARTMENT OF EDUCATION ESTIMATES THAT THE NATIONAL AVERAGE PER PUPIL EXPENDITURE HAS GONE UP BETWEEN 7 AND 8 PERCENT OVER THE LAST FIVE YEARS. LAST YEAR, IMPACT AID FUNDING INCREASED BY LESS THAN 2 PERCENT.

IMPACT AID IS, I FEEL A FEDERAL DEBT

WHICH MUST BE MET BY THE GOVERNMENT. AND IT SHOULD BE FUNDED AT A LEVEL WHICH IS ADEQUATE TO MAINTAIN A BASIC EDUCATION FOR THE FEDERALLY IMPACTED STUDENT.

IN CLOSING, MR. CHAIRMAN, JUST LET ME ASK THAT AS YOU CONSIDER THE FY '91 APPROPRIATIONS FOR IMPACT AID, PLEASE DO NOT LOSE SIGHT OF THE EXTRA FINANCIAL BURDEN THAT FEDERALLY IMPACTED SCHOOL SYSTEMS ACROSS OUR NATION MUST BEAR.

THANK YOU FOR YOUR TIME AND CONSIDERATION.

Mr. NATCHER. Thank you, Mr. Barnard.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. JOHN MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. NATCHER. Our next witness is Mr. John Miller, the first district of Washington.

Mr. Miller, we would be pleased to hear from you at this time.

Mr. MILLER. Thank you, Mr. Chairman. I think we all are in your debt for the patience you have shown with all of us on this issue and recognizing the concerns that we have.

I will try to focus on my district. I know that Impact Aid serves more than two million children throughout the country, but in my first congressional district in Washington, there are over 10,000 students that are federally connected and eligible for Impact Aid funding.

Impact Aid is especially important in my district in the Central Kitsap school district because there are three major federal facilities in the area: the Pudget Sound Naval Shipyard, the Naval Underseas Warfare Experimental Station, and the Naval Submarine Base at Bangor.

We are anticipating a significant increase in category B students throughout my district. These are students whose parents eith live on or work on federal property, or children whose parents reside in low rent housing projects. I find it heartening that for the first time in a decade the administration has included funding for category B districts in its budget.

However, I think we could do a little better than they have. I think it is also important, Mr. Chairman, that your subcommittee realize that the federally connected student enrolled in our schools is a student who has special needs.

These are students who are highly mobile. Often they enter school educationally behind other students. They are in need of assistance to get them up to speed.

In many cases the father is out to sea for weeks at a time. We are talking about Navy kids, so they face many of the same challenges that single-parent families do. The mobility of military families creates problems. The movement of families in and out of school districts causes school enrollments to fluctuate.

Moving also upsets students, as curriculum differs from district to district and educational assessment on new students is mandatory. To help solve this, the school district must employ educational specialists for all elementary schools. In addition, because the movement of military families does not coincide with the school year, Impact Aid allows school districts to plan for anticipated disruptions caused by the arrival or departure of significant numbers of students.

Our school districts must address these problems. I think local governments view federally-connected children as a federal responsibility. The children are in our schools because of the Federal Government. Neither the parents nor the employer make any contribution to the school system's revenues through the local tax structure.

Mr. Chairman, the bottom line is that the government has the responsibility to fulfill the commitment initially made to impacted communities. I urge your subcommittee to fund the Impact Aid Program to the maximum extent possible. Both category A and B payments deserve to be maintained at levels which make sense. The local taxpayer's ability to subsidize the education of federally connected children has limits, is finite, and if Impact Aid is reduced further, the schools in my congressional district will be forced to cut staff and take other measures that will substantially lower the quality of education for all students.

Mr. Chairman, thank you for your patience and your time.

[The statement of Mr. Miller follows:]

# TESTIMONY

# OF

# THE HONORABLE JOHN MILLER

# 1ST CONGRESSIONAL DISTRICT OF WASHINGTON

STATEMENT ON THE IMPORTANCE OF FEDERAL IMPACT AID TO THE 1ST CONGRESSIONAL DISTRICT OF WASHINGTON STATE, GIVEN BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, AND EDUCATION OF THE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN

April 26, 1989

Mr. Chairman:

Thank you for again allowing me to present testimony in support of the impact aid program, and specifically, on how this program affects my Congressional District.

Mr. Chairman, impact aid serves more than two million children throughout the country. In the 1st Congressional District over 10,000 students are federally connected and eligible for impact aid funding. Impact aid is especially important to the Central Kitsap School District because there are three major federal facilities in the area -- the Puget Sound Naval Shipyard, the Naval Underseas Warfare Experimental Station, and the Naval Submarine Base at Bangor.

We are anticipating a significant increase in category "b" students throughout my District. These are students whose parents either live on or work on federal property, or children whose parents reside in low rent housing projects. I find it heartening that for the first time in a decade the administration has included funding for category "b" districts in its budget request, although Congress has historically restored this funding. This indicates recognition that a federal obligation does exist for "b" students.

The problem remains that since school district payments were capped at a level no greater than what they received in Fy 87, a district with an increase in its federally-connected student population would receive no increase in funding. Central Kitsap has had 590 new eligible student since 1987 and are anticipating more with the U.S.S. Vincent coming to port. The homeport in Everett could bring an additional 3,000 - 4,000 new impacted students. The ideal solution would be removal of the cap coupled with increased funding.

I think it is also important Mr. Chairman, for your subcommittee to realize that the federally connected student enrolled in our schools is a student who has special needs. These are students who are highly mobile. Often they enter school educationally behind other students are in need of assistance to get them up to speed. In many cases, the father is out to sea for weeks at a time, so they face many of the same challenges that single-parent families do. The mobility of military families creates problems. The movement of families in and our of school districts causes school enrollments to fluctuate. Moving also upsets students. As curriculum differs from district to district, an educational assessment on new students is mandatory. To help solve these problems, the school district must employ educational specialists for all elementary schools. In addition, because the movement of military families does not coincide with the school year, impact aid allows school districts to plan for anticipated disruptions caused by the arrival or departure of significant numbers of students. Our school districts must address these problems.

Local governments view federally connected children as a federal responsibility. The children are in their schools because of the federal government, and neither the parents nor the employer make any contribution to the school system's revenues through the local tax structure.

Mr. Chairman, the bottom line is that the government has the responsibility to fulfill the commitment initially made to impacted communities. I urge your subcommittee to fund the impact aid program to the maximum extent possible. Both category "a" and "b" payments deserve to be maintained at levels which make sense. The local taxpayer's ability to subsidize the education of federally connected children is finite, and if impact aid is reduced further, the schools in my Congressional District will be forced to cut staff and take other measures that will substantially lower the quality of education for all students.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. RON PACKARD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. NATCHER. Our next witness is Mr. Packard. Come around, Mr. Packard. We will be pleased to hear from you at this time.

Mr. PACKARD. Thank you, Mr. Chairman. You are a very generous and patient man. I think your job is worse than listening to a 100 one-minute statements. At least we all sing for the same song.

I would like to also add my testimony, Mr. Chairman, in support of Impact Aid and the migrant situations are two very, very important issues in my district, both unintended consequences of Federal policies. Certainly those have affected my district significantly, the 43rd District of California.

My district is surrounded by several military installations, and in the heart of my district is the largest Marine Corps base in the United States, Camp Pendleton. The influence of these facilities along with several Indian reservations on local economies cannot be disregarded.

The federally connected students from these installations, each with their own district needs, plays a significant burden on the schools. The particular and varied needs of these federally connected students and of the school districts by whom they are served is self-evident.

Helping meet those needs is an outright and continuing obligation of the Federal Government. Please, Mr. Chairman, support full funding of the $35,000,000 for the Federal Impact Aid program for the fiscal year 1991. Don't force our local families to educate the children of our military families. That is, at least in part, the responsibility of the Federal Government.

The second issue, Mr. Chairman, that I would like to mention is immigration problems that seriously afflict San Diego County. Gene McNery, Commissioner of the INS, said 40 percent of the INS border arrests in the United States take place in San Diego County, 40 percent. Immigrants set up camps that are health hazards on citizen's private property. Public schools, hospitals, social groups take care of migrants, but get no money for reimbursement.

The City Council of Encinitas in my district just this week declared a state of emergency. I have never heard of a city doing that before. It is unfair to use San Diego County to contain illegals and documented aliens trying to go north and to keep a sign lease in my area, but not provide financial relief.

I certainly hope that your subcommittee will seriously consider these two issues and provide the necessary funds for remedial assistance.

Thank you, Mr. Chairman.

[The information follows:]

Statement of
**The Honorable Ron Packard**
43rd District of California
before the
**Committee on Appropriations**
**Subcommittee on Labor, Health and Human Services, and Education**
Thursday, April 26, 1990

Mr. Chairman, I am grateful to have this opportunity to testify before the Committee on Appropriations about two issues that are very important to California's Forty-Third District, Impact Aid and migrants.

I realize that the Appropriations Committee's work is difficult because its members must turn down requests for many worthy projects. However, Impact Aid and the migrant situation deserve special attention. They are both unintended consequences of Federal policies, whose effects are felt by local governments in the Forty-third district.

My district includes parts of San Diego and Orange Counties and is affected by both the United States Marine Corps base at Camp Pendleton and the air station at El Toro. The influence of these facilities, along with several Indian reservations, on the local economies cannot be disregarded. Moreover, the federally-connected students from such installations, each with their own distinct needs, can place a significant burden on the schools.

The military-connected students have needs that are not met through any government program. In my district, these students constitute a population of 10,857 in eight school districts, which is 12% of a total enrollment of 90,556. Good schools are necessary for the military families in these impacted areas. They are a highly mobile community. The children are required to change schools frequently. It is important that they receive proper instruction to ensure they have the skills and knowledge which will enable them to fit in at the next school in which they enroll.

The Indian Land federally-connected students pose unique problems for school districts in their efforts to provide transportation, different and exceptional instructional methods and techniques, bilingual teacher aides, and extensive supplemental materials. Money for these items, for the most part comes directly out of the general funds of the districts. In my district, these students represent a population of 628 in three school districts, which is 8.6% of a total enrollment of 7297.

The particular and varied needs of these federally-connected students and of the school districts by whom they are served is self-evident. Helping meet those needs is an outright and continuing obligation of the Federal Government. I ask you to please support full funding of $835 million for the Federal Impact Aid Program in the FY'91 budget.

The migrant situation in San Diego County is upsetting to me. Thousands of industrious and energetic Latin Americans migrate to southern California annually in search of a better life. They do not complain about the conditions in which they live or how they are treated; they only ask for an opportunity to work, to provide for themselves and their families. I worked side by side with Latin American farmhands in my youth. No one could have asked for more reliable workers.

However, it is also clear that there are limits to the number of immigrants we can absorb. The Immigration and Naturalization Service has increased its defense of the Mexican border. The Immigration Reform and Control Act of 1986 outlawed hiring illegal aliens.

Half of INS's arrests along the Mexican-American border are made in San Diego. The San Diego area has to cope with the greatest volume of immigrants in any part of the country. Without Federal aid, the cities of California's Forty-Third District cannot cope with the influx of migrants for two reasons.

First, they are still trying to adjust to the Immigration Reform and Control Act of 1986, which gave amnesty to thousands of undocumented immigrants. It is true that the provisions of the bill barring employers from hiring undocumented workers helped reduce immigration initially, but border crossings have increased recently because immigrants are not deterred by the hiring ban.

Second, the Border Patrol has used highway checkpoints with great success to prevent undocumented aliens from reaching Los Angeles. The San Jacinto mountains, Camp Pendleton, a military base, and the Pacific Ocean create a natural bottleneck between Orange County and San Diego County, which the Border Patrol has used to stem the flow of undocumented aliens out of San Diego County. However, the cities south of the bottleneck are now full of aliens waiting for a chance to move north. It is unfair to the citizens of San Diego to expect them to sacrifice their lifestyles for citizens up north.

Illegal immigration takes a heavy toll on our area. These aliens, being homeless, set up camp wherever they can; in backyards, in parks, behind stores. These camps are deplorable health hazards. Hospitals and social services organizations spend time, money, and resources caring for aliens who cannot pay for their services.

The situation in San Diego County is reaching the breaking point. Relations between home and store owners and migrant groups are tense. One city, Encinitas, has declared a state of emergency.

I am asking the Committee to consider the effects of Federal immigration policy on the Forty-Third District. San Diego County needs the Mexican-American border to be tightened up. It needs Federal relief for local services that have been swamped by migrants, without corresponding government allocations.

Thank you for the opportunity to address these issues.

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Mr. NATCHER. Thank you, Mr. Packard.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESSES

**HON. LAMAR SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

**THOMAS E. MOSELEY, SUPERINTENDENT OF SCHOOLS, FORT SAM HOUSTON INDEPENDENT SCHOOL DISTRICT**

Mr. NATCHER. Our next witness is Mr. Lamar Smith. Come around, Mr. Smith. We will be glad to hear from you at this time.

Mr. SMITH. Mr. Chairman, thank you. With me to my right is Tom Moseley, a good friend of mine and one of the best advocates I know for Impact Aid. I am pleased to have him with me.

Mr. NATCHER. We are delighted to have him, too.

Mr. SMITH. Mr. Chairman, thank you for allowing me to present testimony on behalf of the Federal Impact Aid program. To illustrate some of the problems that the federally impacted schools in our Nation face, I would like to focus on three military school districts in the San Antonio, Texas, area.

All federally impacted school districts are not equal. As your committee considers appropriations for the Federal Impact Aid program, I urge my colleagues to keep in mind unique situations like the ones I am about to describe.

The Fort Sam Houston, Lackland and Randolph Field independent school districts educate 3,600 children whose parents live on those military installations. The education of these children impacts the entire San Antonio area. A number of factors have caused these three military districts to have serious budgetary problems over the past years.

The districts are three of seven co-terminus districts in the entire Nation. The boundaries of the school districts are the boundaries of the military installations. This means the districts have no tax base. They have no authority to issue bonds for capital projects. They are completely dependent on Federal and state funding.

Largely due to changes in the funding of the co-terminus school districts, the Fort Sam Houston, Lackland and Randolph Field school districts have lost over 20 percent of their Federal Impact Aid since 1985. Along with these budget cuts is an intensive list of expensive educational reforms the State of Texas has adopted several years ago. These include student-teacher ratios, merit pay systems, computer literacy programs, and reporting requirements.

Due to these reforms, the budgets of Texas public school districts have increased by 50 percent, according to a report released by the Texas Research League last August.

Most school districts have raised taxes to pay for the new requirements. Because San Antonio military school districts have no tax base, they cannot raise taxes. At the same time they have been asked to adopt higher standards. These school districts have been told to cut their budgets and then cut some more.

The school districts have already made many cuts. They have received waivers from the state on the class size and computer literacy requirements. They have also made staff cuts and revised salary schedules. They have looked into sending the children to surrounding school districts. These districts are unwilling to accept the military children because of the tax burden.

The Fort Sam Houston school district is now in a situation where it may be forced to close its doors. Whether it is a lowering of standards or closing down of schools, the children will pay the highest price of all.

The Fort Sam Houston, Lackland and Randolph Field school districts also are financially challenged by a high percentage of handicapped children and children requiring special education. These children must be educated, but it is expensive to educate children with special needs. Those requiring special education each cost approximately $500 more every year than those who do not require special attention.

Educating the fundamentally handicapped children can cost up to $11,000 each year. Last year 12 percent of the school age children in the State of Texas were considered to be mentally or fundamentally handicapped. At the same time, 19 percent of the school age children in the three San Antonio military districts were considered to be handicapped.

Mr. Chairman, as your subcommittee considers funding of the Impact Aid program, I urge you to keep districts such as Fort Sam Houston, Lackland, and Randolph Field in mind. All federally impacted schools are not alike. Unique situations exist that deserve the attention and consideration of this committee. A lack of adequate funding will hurt the children more than anyone.

Thank you, Mr. Chairman.

Mr. NATCHER. Thank you very much, Mr. Smith. We are glad to have both of you.

[The written statement of Thomas Moseley follows:]

# TESTIMONY OF THOMAS E MOSELEY
SUPERINTENDENT OF SCHOOLS
FORT SAM HOUSTON INDEPENDENT SCHOOL DIST.
SUBCOMMITTEE ON LABOR - HEALTH - HUMAN SERVICES - EDUCATION
APRIL 26, 1990

THANK YOU FOR ALLOWING ME THIS OPPORTUNITY TO PRESENT TESTIMONY IN SUPPORT OF THE IMPACT AID PROGRAM. (AND A SUPPLEMENTAL APPROPRIATION TO KEEP FSH FROM CLOSING) MY DISTRICT IS HEAVILY IMPACTED SINCE IT'S BOUNDARIES ARE COTERMINOUS WITH THE MILITARY INSTALLATION OF FORT SAM HOUSTON.

EACH YEAR THERE IS APPROXIMATELY ONE THIRD TURNOVER IN STUDENT POPULATION, THESE CHILDREN MUST BE PROVIDED AND EQUITABLE EDUCATION. HOWEVER, SINCE THESE CHILDREN LIVE ON FEDERAL PROPERTY, AND HAVE A PARENT WORKING ON FEDERAL PROPERTY, THE ONLY FUNDING SOURCES ARE FROM THE STATE FOUNDATION PROGRAM AND FEDERAL IMPACT AID. IN THE CASE OF THE COTERMINOUS DISTRICTS NEITHER THE PARENT NOR THE EMPLOYER MAKE ANY CONTRIBUTION TO THE SCHOOL SYSTEM'S REVENUES. THERE IS NO OTHER SOURCE OF REVENUE WHICH CAN REPLACE THE LOSS OF IMPACT AID MONEY.

ULTIMATELY, THE ISSUE IS ONE OF EQUITY. OUR STATE GOVERMNENT QUITE LEGITIMATELY VIEWS FEDERALLY CONNECTED CHILDREN AS A FEDERAL RESONSIBILITY, AND YET PROVIDES APPROXIMATELY 40% OF THE DISTRICT'S REVENUE.

EVERY STUDY ON IMPACT AID HAS CONCLUDED THAT THE FEDERAL GOVERNMENT HAS A RESPONSIBILITY FOR SUPPORTING STUDENTS IN FEDERALLY IMPACTED SCHOOLS. THE FEDERAL GOVERNMENT GETS A BARGAIN IN IMPACT AID. IT COULD NOT EDUCATE THESE STUDENTS FOR WHICH IT IS RESPONSIBLE, FOR ANYWHERE NEAR THE PRICE IT PAYS IN IMPACT AID. IS IT FAIR TO PROVIDE THESE DISTRICTS WITH A LEVEL OF FUNDING IN FY 90 AND AGAIN IN FY 91 WITH LESS THAN FY 86?

FORT SAM HOUSTON HAS CUT 14 POSITIONS IN PERSONNEL AND IS MAKING ARRANGEMEMTS TO BORROW ENOUGH MONEY TO GET THROUGH TO THE MONTH OF MAY 1991. THEY WILL BE UNABLE TO MEET OBILIGATIONS OF SALARIES, UTITLITIES ETC. FOR THE MONTHS OF JUNE JULY & AUGUST WITHOUT SOME ADDITIONAL SOURCE OF REVENUE. THESE LAST THREE MONTHS OF THE SCHOOL YEAR IS WHEN REPAIRS AND REPLACEMENTS ARE MADE IN ADDITION TO PAYING THE REMAINDER OF THE TEACHER'S CONTRACTS.

WHEN EVERYBODY IS TALKING ABOUT QUALITY EDUCATION, IT WOULD BE A HYPOCRISY TO CLOSE THESE SCHOOL DISTRICTS. FORT SAM HOUSTON HAS TWO SCHOOLS, BOTH HAVE BEEN RECOGNIZED AS NATIONAL EXEMPLARY SCHOOLS BY THE U.S. DEPT OF EDUCATION.

- ADDITIONALLY, COLE HIGH SCHOOL HAS WON THE ACADEMIC DECATHLON AS WELL AS PLACING 2ND IN THE STATE THE FOLLOWING YEAR.

- FORT SAM HOUSTON ELEMENTARY PRINCIPAL, ANNE STEPHENS, WAS NAMED

"ELEMENTARY PRINCIPAL OF THE YEAR" FOR THE STATE OF TEXAS

- COLE HIGH SCHOOL WAS RECOGNIZED AS A STATE LEADER LAST YEAR FOR IT'S "DRUG FREE SCHOOL PROGRAM"

- THE FORT SAM HOUSTON SCHOOLS HAVE LESS THAN A 2% DROPOUT RATE AND 78% OF THE SENIORS GO ON TO COLLEGE

- ALL OF THESE ACCOMPLISHMENTS HAVE BEEN DONE BY A DISTRICT THAT HAS OVER ONE THIRD OF THE STUDENTS QUALIFYING FOR THE FREE LUNCH PROGRAM, HAS 40% MINORITY.

UNLIKE MANY OTHER EDUCATIONAL PROGRAMS FUNDED BY THE FEDERAL GOVERMENT, THE IMPACT AID PROGRAM DOES NOT PROVIDE SUPPLEMENTAL PROGRAMS OR EXTRAS. THESE FUNDS PAY FOR TEACHERS, SUPPLIES, AND EQUIPMENT NECESSARY TO PROVIDE A BASIC EDUCATION. SOME OF THE SPECIAL EDUCATION STUDENTS COST $11,000 PER YEAR.

LET'S CONSIDER THE CHILDREN I'M REFERRING TO. OUR MILITARY CHILDREN MOVE EVERY TWO TO THREE YEARS, AND MANY TIMES A PARENT IS STATIONED ELSEWHERE FOR TEMPORARY OR REMOTE DUTIES. FREQUENT MOVES, PARENTAL ABSENCES, AND ECONOMIC DEFICIENCIES AFFECT THE STUDENTS EMOTIONALLY AND ACADEMICALLY. THESE STUDENTS REQUIRE SPECIAL COUNSELING AND SUPPORT SERVICES FOR PLACEMENT AT THE APPROPRIATE ACADEMIC LEVEL AND FOR REMEDIATION TO THE PROPER LEVEL.

WE NEED IMMEDIATE SUPPORT OF THESE FINE SCHOOLS TO BE USED AS MODELS FOR OTHERS - NOT TO FACE CLOSURE EACH YEAR BECAUSE OUR COUNTRY FAILS TO REWARD **EXCELLENCE IN EDUCATION!**

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

**HON. DANIEL K. AKAKA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII**

Mr. NATCHER. Our next witness is Mr. Daniel Akaka. Come around, Mr. Akaka. Mr. Akaka, it is a pleasure to have you before our subcommittee. We would be pleased to hear from you at this time.

Mr. AKAKA. Thank you very much, Mr. Chairman.

Members of the committee, I appreciate this opportunity to appear before you in support of programs which enhanced lives of the Native Hawaiians and the people of Hawaii.

I would like to thank you again, Mr. Chairman, and members of this subcommittee for your past support of programs of importance to my State. I have come before this subcommittee on numerous occasions to speak on behalf of Impact Aid. This program is of great importance to the State of Hawaii, and I am compelled to testify once again to reaffirm my support of Impact Aid.

Appropriate funding for the Impact Aid program is necessary to meet the responsibilities of both the Federal Government and Congress to assist jurisdiction which have been asked to accept the impact of our military and government facilities on their economy and the quality of service they can deliver.

Public school systems rely upon the compensatory relief provided by Impact Aid. For almost 40 years, Congress has provided sufficient Impact Aid funding to compensate the states for the financial burden imposed on them by the Federal Government. Now is not the time to allow the Federal Government to abrogate its basic responsibility to the people of this country.

Moving on to Native Hawaiian Health Care Act, I would like to provide you with an update on its activities. As you know, native Hawaiians will be provided primary care, health education and promotion and disease prevention services through nine native Hawaiian health care systems distributed throughout the State of Hawaii, Papa Ola Lokahi, the entity which is coordinating, implementing and certifying the health systems has surged ahead in pursuing its directives.

Community meetings were held on the islands of Kauai, Oahu, Molokai-Lanai, Maui, and Hawaii to explain the provisions of Native Hawaiian Health Care Act and present some of the statistics compiled by Papa Ola Lokahi. Currently Papa Ola Lokahi is in the process of certifying qualified organizations so they may apply to the U.S. Department of Health and Human Services for grants or contracts. All systems are go, and the establishment of health care facilities is on track.

It is imperative that Congress meet this obligation and appropriate the necessary funds. The health needs of over 200,000 native Hawaiians, many of whom live in rural areas with access and resource obstacles, must be addressed.

Mr. Chairman, I approach you today with an outreached hand for help with Hawaii's problem with ICE, a potent and deadly form of crystalized methamphetamine administered through smoking. Although more expensive than crack and cocaine, ICE has become a major drug of choice in Hawaii because it is longer lasting and has a more intense high. In fact, the effects of ICE are reported to last for as long as eight to 16 hours. Common traits of users include nervousness, irritability, and restlessness. Because the methamphetamine speeds up the nervous system, users often cannot sleep for days at a time. Chronic use of ICE causes psychosis which includes paranoia and both visual and audio hallucinations. This psychotic state bring about irrational fears and has been noted to last up to six months after use.

Chronic users also exhibit symptoms which point to permanent nerve and brain damage. Because of ICE, Hawaii has an onslaught of problems never experienced before. Honolulu police officials inform me that there appears to be a direct correlation between violent crime and the use of ICE. Crystal meth seems to be the determining factor in many crimes involving domestic violence, murder, child abuse, and others. ICE is reaching its deadly tentacles farther and farther into our communities, and we need help.

We have no quantitative data to ascertain the hold ICE has over our state. Mr. Chairman, during an October hearing last year before the Select Committee on Narcotics Abuse and Control, of which I am a Member, Dr. Jerome Jaffe, senior science advisor of the National Institute on Drug Abuse, testified that NIDA was initiating a drug abuse warning network, DAWN like surveilling system state wide in Hawaii's emergency care departments and medical examiners' facilities. The data collected from these facilities would permit the state to monitor drug abuse patterns and trends and assess health hazards associated with drug abuse so that effective intervention and prevention program can be developed.

The select committee was also told, and I quote, "NIDA is providing contractual money and technical assistance in setting up a treatment based drug abuse surveilling system. Additional drug reserve involving clinical protocols are anticipated in the future with NIDA's support," unquote.

I am sorry to report that the State of Hawaii is yet to see that financial commitment from NIDA, and it appears that it is far from coming. Subsequently, our DAWN like surveilling system is far from operation.

Mr. Chairman, I come before you to seek your assistance in earmarking the funds to effectuate NIDA's obligation. The State of Hawaii Department of Health is committed to this project and is ready to implement the Hawaii DAWN system, but without federal help this important data will never be obtained, and we will have lost the battle without even firing a shot.

Mr. Chairman, I hope I can count on your help. Thank you for this opportunity to voice my support for programs of importance to my state. I look forward to working with you and members of this subcommittee on the concerns raised today. I thank you so much for this opportunity.

Mr. NATCHER. Thank you, Mr. Akaka.

[The information follows:]

# STATEMENT OF THE
# HONORABLE DANIEL K. AKAKA
# BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS
# SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

April 26, 1990

Chairman Natcher and Members of the Subcommittee, I appreciate this opportunity to appear before you in support of programs which enhance the lives of Native Hawaiians and the people of the State of Hawaii.

## NATIVE HAWAIIAN HEALTH CARE ACT OF 1988

With its enactment in 1988, and initial appropriations in fiscal year 1990, the Native Hawaiian Health Care Act has begun to address the health obstacles that many Native Hawaiians face. Under the act, Native Hawaiians are to receive primary care, health education and promotion, and disease prevention services through nine Native Hawaiian health care systems distributed throughout the State of Hawaii: two on each of the islands of Kauai (which also includes Niihau), Oahu, Maui, and Hawaii, and one on Molokai (which shall also serve Lanai). These systems fall under the management of Native Hawaiians, with substantial participation by health practitioners of Hawaiian ancestry, including traditional healers.

Papa Ola Lokahi, the entity which is coordinating, implementing, and certifying the health systems, is comprised of five Hawaiian organizations: Alu Like, Inc., E Ola Mau, the Office of Hawaiian Affairs of the State of Hawaii, the Office of

Hawaiian Health, State Department of Health, and the University of Hawaii.

Since its inception in February 1989, Papa Ola Lokahi has surged ahead in pursuing its directive. In September and October 1989, nine community meetings were held on the islands of Kauai, Oahu, Molokai, Lanai, Maui and Hawaii to explain the provisions of the Native Hawaiian Health Care Act and present some of the statistics compiled by Papa Ola Lokahi. In addition, Papa Ola Lokahi was joined by the National Cancer Institute, Division of Cancer Prevention and Control, Special Populations Studies Branch, in conducting twelve informational meetings throughout the State to discuss and facilitate the establishment of a cancer prevention and control research network for Native Hawaiians. Further, Papa Ola Lokahi has collaborated with the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDKD) for a study on diabetes among Native Hawaiians, which will be submitted to Congress.

Currently, Papa Ola Lokahi is in the process of certifying qualified organizations so that they may apply to the U.S. Department of Health and Human Services for grants or contracts.

Poor health among Native Hawaiians is a very severe problem. In a report released by the Hawaii State Department of Health on March 12, 1990, infants of Hawaiian ancestry continue to have the greatest chance of dying before their first birthday compared to all other ethnic groups. For every 1,000 Native Hawaiian births, more than 10 infants die before age one. If you were to compare the Native Hawaiian population to Black, Hispanic, and Asian minority populations in the United States, the incidence of Native Hawaiians becoming afflicted with diabetes, heart disease and certain forms of cancer is consistently higher.

Although the Native Hawaiian Health Care Act of 1988 authorizes $6 million for FY 1991, the Administration has recommended only $1.283 million for FY 1991. All systems are "go" and the establishment of the health care facilities is on track. It is imperative that Congress meets its obligation and appropriate the necessary funds. The health needs of over 200,000 Native Hawaiians, many of whom live in rural areas with access and resource obstacles, must be addressed.

Recommendation: To fund the activities of the Native Hawaiian Health Care Act in FY 1991, I ask that $5,000,000 be included in the FY 1991 Labor, Health and Human Services, and Education bill.

## NATIVE HAWAIIAN EDUCATION ACT

Through continued funding of the programs contained in the Native Hawaiian Education Act, our goal is to establish the importance of education at the infant and preschool age. Through the Family Based Education Centers, parents are given the opportunity to participate directly in the education of their children. It is at this point that the seed of education is planted to be continually nurtured through the Model Curriculum and Gifted and Talented programs. The opportunity for Native Hawaiian children to advance to post-secondary levels of education becomes available through the Higher Education Demonstration Program. In addition, the needs of Native Hawaiian students who require special educational assistance are addressed through the Special Education Program. All of these programs are instrumental in preparing our younger generations for fulfilling careers in an increasingly competitive society. There is a growing trend toward providing specialized programs for disadvantaged minority youth, and these programs may serve as a model for other educational institutions throughout the nation.

On a national scale, Native Hawaiians consistently fall on the lower rungs in education. Statistically, kindergartners score at the 12th percentile nationally on the Peabody Picture Vocabulary Test (PPVT), and sixth graders' reading achievement is at the 26th percentile. The Native Hawaiian dropout rate in the community colleges, where vocational education is dominant, is 63%, compared to the national average of 47.8%, and Native Hawaiians comprise only 9% of the enrollees in the University of Hawaii system, although they represent 20% of the state population. Also, because of low self-esteem and low rates of retention in schools, Hawaiian students continue to be the most at-risk for substance abuse in Hawaii.

The more assistance these programs receive through federal funding, the greater the chances are of ending the educational dilemma that Native Hawaiian students confront.

Recommendation: $6,500,000 was provided in FY 1990 to carry out the activities of the Native Hawaiian Education Act

(P.L. 100-297). I ask that you include the same amount in FY 1990 to fund these important education programs. With this amount, I feel confident that a strong and viable program can be maintained.

## PACIFIC BASIN HEALTH INITIATIVES

For more than two decades, the John A. Burns School of Medicine at the University of Hawaii has been working with the Pacific Basin countries to address issues related to health delivery through the development of health manpower. Cooperation has focused on: (1) the training of physician assistants, (2) the development of rehabilitation technicians, and (3) since 1986, the initiation of a Pacific Basin Medical Officers Training Program (PBMOTP).

A "Unified Health Training Program", similar to the program for Hawaii, has also been proposed for the Pacific Basin. This program is designed to recruit and select trainees for health care careers. In such a program, students with a high school diploma who desire training in the health care fields can enroll in a program which would include paid hospital work as an orderly, an aide, a ward clerk, a lab assistant, or an x-ray technician's assistant. At the same time, they will be trained in clinical sciences and educated in the humanities. The clinical training will teach them the basic sciences and clinical skills necessary to perform the sophisticated task required in the health care field. This training will be problem-based and evaluated using competency-based tools. The students will proceed at their own pace.

This program will assist Pacific Basin countries in recruiting students for health care careers, a priority item for the entire region. High school students from all socioeconomic levels could apply for enrollment. They will realize opportunities, talents, and interests which otherwise may have gone undeveloped. Students and workers currently involved in certain areas of health care could also participate and pursue their interests and abilities through further training. In addition, the program will help alleviate the health manpower shortage by increasing the number of health care trainees and instructors delivering care in the system.

Although the State of Hawaii and the University of Hawaii are committed to providing the leadership in the development of health manpower in the Pacific Basin, Hawaii alone is unable to undertake the financial requirements needed to pursue the initiatives. It is believed that if Hawaii does not pursue this commitment with the help of the Federal government, health manpower development programs in the Pacific will not develop.

Recommendation: The FY 1990 appropriations bill contained $2,000,000 for the Pacific Basin Health Care Initiatives. For FY 1991, I ask that $5,000,000 be included for the Pacific Basin Initiative program.

Hon. Daniel K. Akaka
Subcommittee on Labor-HHS-Education
April 26, 1990

## IMPACT AID

As you well know, I have appeared before this Committee on numerous occasions to speak on behalf of Impact Aid. Mr. Chairman, this program is of great importance to the State of Hawaii, and I am compelled to reaffirm my support for Impact Aid.

In Hawaii there are 13,422 students eligible under category "B", and 3,812 who are eligible under category "A". Since there is a limited supply of on-base housing, military personnel have no choice but to secure off-base quarters. These military families usually find housing near the facility to which they are assigned and customarily send their children to the public schools in the neighborhood.

Under the past Administration, there have been attempts to eliminate category "B" with the justification that Impact Aid overcompensates localities which already enjoy substantial economic benefits, such as increased employment and expenditures on property, goods, and services, from the mere presence of federal installations. However, the Administration has chosen to ignore the fact that the states lose a sizable portion of tax revenues from military personnel, including property tax, personal tax revenues, some sales taxes, and property taxes from business and industry.

It is evident from the Bush Administration's FY 1991 budget that Impact Aid is not a priority topic. A total of $616,854,000 has been earmarked to meet the educational needs of 800,000 students who are the responsibility of the Federal government.

If this amount is not adjusted, the assurance of a quality education provided for both civilian and military children in states receiving Impact Aid funds would be threatened.

Recommendation: I ask that this Committee continue its support for funding of the Impact Aid program, and maintain proper funding for category "B".

## NATIONAL INSTITUTE ON DRUG ABUSE

Mr. Chairman, the State of Hawaii has a very real problem with ice, a potent and deadly form of crystallized methamphetamine administered through smoking. Although more expensive than crack and cocaine, ice has become a major drug of choice in Hawaii because it is longer lasting and has a more intense high. In fact, the effects of ice are reported to last for as long as 8 to 16 hours.

Chronic use of ice causes a psychosis which includes paranoia and both visual and audio hallucinations. This psychotic state brings out irrational fears and has been noted to last up to six months after use. Chronic users have been seen to lose physical coordination and to slouch in their posture. The fact that these changes persist points to permanent nerve and brain damages.

Users eventually build up a tolerance to the drug, falling into a vicious cycle. While they need to smoke more to feel high, the greater dosages increase physical and mental damage.

An early complaint about ice use is the pounding heart sensation. The drug speeds up and strains the heart. High doses can result in permanent damage to blood vessels, and even death.

Common traits of users include nervousness, irritability, and restlessness. Because the methamphetamine speeds up the nervous system, users often cannot sleep for days at a time. It also weakens the immune system.

Some users who have been admitted for treatment describe their dependence on crystal meth as a never-ending nightmare.

Ice abuse has led to the arrival of "ice babies" who suffer from severe withdrawal-type symptoms. These babies are profoundly affected and difficult to stimulate. The end result is a neurologically damaged infant who is prone to learning disabilities, hyperactivity and, in general, a life of failure. Who knows what the future holds for these poor children--impaired through no volition of their own.

Honolulu police officials inform me that there appears to be a direct correlation between violent crime and the use of ice. Ice users are often more violent than crack users, and crystal meth seems to be determinantal factor in many crimes involving domestic violence, murder, child abuse, and others.

Ice is reaching its deadly tentacles farther and farther into our communities, and we need help. We have no quantitative data to ascertain the hold ice has over our State.

Mr. Chairman, during an October hearing last year before the Select Committee on Narcotics Abuse and Control (of which I am a member), Dr. Jerome Jaffe, Senior Science Advisor of the National Institute on Drug Abuse, testified that NIDA was initiating a

Drug Abuse Warning Network, DAWN-like surveillance system statewide in Hawaii's emergency care departments and medical examiner's facilities. As you know, Mr. Chairman, the data collected from these facilities would permit the State to monitor drug abuse patterns and trends and assess health hazards associated with drug abuse so that effective intervention and prevention programs can be developed. The Select Committee was also told, "NIDA is providing contractual money and technical assistance in setting up a treatment-based drug abuse surveillance system. Additional research involving clinical protocols are [sic] anticipated in the future with NIDA support."

I am sorry to report that the State of Hawaii has yet to see that financial commitment from NIDA. Subsequently, our DAWN-like surveillance system is far from operational.

Mr. Chairman, I come before you today to seek your assistance in earmarking necessary funds to effectuate NIDA's obligation. The ability to compare data over a period of time and from various communities is essential if we are to successfully address Hawaii's ice abuse problem.

The State of Hawaii Department of Health is committed to this project and is ready to implement the Hawaii DAWN system. But without federal help, this important data will never be obtained, and we will have lost a battle without even firing a shot.

Mr. Chairman, I hope I can count on your help.

Recommendation: $200,000 to establish Hawaii's DAWN system.

## PEDIATRIC EMERGENCY CARE

In conclusion, I support funding for the Pediatric Emergency Care program and hope that funding sources would be available. The Kapiolani Medical Center for Women and Children relies heavily on federal funding acquired under this program to help meet the needs of emergency medical services for acutely-ill and seriously-injured children.

Recommendation: I request that $5,000,000, an increase of $1,000,000 over FY 1990's appropriation, be set-aside for this important program. If funding is not continued, many health facilities in several States will lose a critical funding source.

Once again, thank you for the opportunity to voice my support for programs of importance to my State.

THURSDAY, APRIL 26, 1990.

# IMPACT AID

## WITNESS

### HON. JIM SLATTERY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. NATCHER. Our next witness is Mr. Slattery. Come around, Mr. Slattery. Mr. Slattery is from the Second District of Kansas. It is a pleasure to have you before the committee.

Mr. SLATTERY. Thank you, Mr. Chairman. As you may recall, I represent Fort Leavenworth, Fort Riley area in northeast Kansas. This is my eighth appearance before your committee in the eight years I have been here. It looks like the crowds may be growing. An increasing number of Members seem to be testifying on this. I will be very brief today. To make a long story short, the budget resolution that we are currently debating on the Floor of the House proposes an increase in education funding of $2,500,000,000.

That is probably an optimistic projection of how much money we will ultimatehy have to spend on education, but it seems to me that given the fact that last year the total appropriation for Impact Act was $733,000,000, if we can get that $2,500,000,000 increase in education, we ought to be able to find enough money to fully fund the Impact Aid Program, and in the interest of brevity today, I would just observe that I agree with what my colleagues have said, add to their testimony I just say amen.

I would hope, Mr. Chairman, that we can fully fund Impact Aid, and if we get the $2,500,000,000, hopefully we will be able to do that.

In closing, I would just make one observation. That is that the per pupil expenditures for education have increased and are increasing at about 7 percent a year nationwide, and most of the cost in these Impact Aid districts is federally generated. It seems to me that given the fact that since 1987 we have seen a steady decline in the per pupil expenditures for Impact Aid, I would think that it is time that we addressed that, so again, Mr. Chairman, thanks for your patience. It is a pleasure to see you again. I would ask that my testimony be made a part of the record.

Mr. NATCHER. It will be put in the record in its entirety. Thank you, Mr. Slattery.

[The information follows:]

# STATEMENT OF THE HONORABLE JIM SLATTERY (2ND-KS) BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HHS-EDUCATION AND RELATED AGENCIES

2358 RAYBURN
APRIL 26, 1990

MR. CHAIRMAN:

THANK YOU FOR AGAIN ALLOWING ME TO PRESENT TESTIMONY IN SUPPORT OF THE IMPACT AID PROGRAM. I APPRECIATE THE OPPORTUNITY TO SPEAK BEFORE YOUR SUBCOMMITTEE AND REQUEST THAT MY FULL STATEMENT BE MADE A PART OF THE RECORD.

I TESTIFY BEFORE YOUR SUBCOMMITTEE EVERY YEAR BECAUSE IMPACT AID FUNDING IS CRITICAL TO MY DISTRICT. TWENTY-THREE SCHOOL DISTRICTS IN THE SECOND DISTRICT OF KANSAS RECEIVE SUPPORT THROUGH IMPACT AID. OVER 11,000 SCHOOL CHILDREN IN MY DISTRICT RELY ON THE FEDERAL GOVERMENT'S FINANCIAL COMMITMENT TO THE IMPACT AID PROGRAM. LAST YEAR, IMPACT AID ACCOUNTED FOR $10 MILLION IN ASSISTANCE TO STUDENTS IN MY DISTRICT.

I AM HERE NOT ONLY REQUESTING AN INCREASE IN FUNDING FOR THIS PROGRAM BUT, AGAIN, ASKING YOU TO REJECT PRESIDENT BUSH'S PROPOSAL TO SIGNIFICANTLY REDUCE IMPACT AID FUNDING. DESPITE INFLATION AND INCREASED COSTS, THE ADMINISTRATION PROPOSES A NET CUT OF $678 MILLION IN DISCRETIONARY EDUCATION PROGRAMS FOR NEXT YEAR, INCLUDING A $98.5 MILLION CUT IN IMPACT AID. THIS WOULD ADVERSELY AFFECT IMPACT AID PAYMENTS WHICH HAVE NOT SEEN REAL GROWTH FOR NEARLY A DECADE. I REQUEST FULL FUNDING FOR

THE IMPACT AID PROGRAM WHICH IS AUTHORIZED FOR UP TO $835 MILLION. LAST YEAR'S APPROPRIATION FOR IMPACT AID WAS $733 MILLION.

PAYMENTS HAVE STEADILY DECLINED PER STUDENT SINCE FISCAL YEAR (FY) '87. IN FY '89 AND '90 PAYMENTS HAVE BEEN BELOW THE DOLLARS RECEIVED PER STUDENT IN FY '87. PER PUPIL EXPENDITURES FOR EDUCATION HAVE INCREASED AN AVERAGE OF 7% EACH OF THE PAST FIVE YEARS. MORE OF THE COST OF THE FEDERALLY CONNECTED STUDENT IS BEING PICKED-UP BY STATE AND LOCAL FUNDS.

I AM CONCERNED THAT IN KANSAS WHERE WE ARE WITNESSING A PROPERTY TAX REVOLT DUE TO THE PROPERTY REAPPRAISAL ISSUE, IT WILL BE EXTREMELY DIFFICULT FOR SCHOOL DISTRICTS TO DIG ANY DEEPER AND PICK UP THE SLACK LEFT BY THE FEDERAL GOVERNMENT.

THE LOCAL TAXPAYER'S ABILITY TO SUBSIDIZE THE EDUCATION OF FEDERALLY CONNECTED CHILDREN IS FINITE, AND IF IMPACT AID IS REDUCED FURTHER, HEAVILY IMPACTED SCHOOLS IN MY DISTRICT WILL BE FORCED TO CUT STAFF AND TAKE OTHER MEASURES THAT WILL SUBSTANTIALLY LOWER THE QUALITY OF EDUCATION FOR ALL STUDENTS.

PRESDIENT BUSH HAS EXPRESSED HIS STRONG COMMITMENT TO IMPROVING THE EDUCATION OF CHILDREN IN THEIR EARLY YEARS, BUT HAS PROPOSED A REDUCTION IN IMPACT AID PAYMENTS BY OVER $98 MILLION. A TIME-HONORED COMMITMENT TO PROVIDE ASSISTANCE TO PUBLIC SCHOOL DISTRICTS IS ALSO A COMMITMENT TO THE IMPROVEMENT OF EDUCATION OF CHILDREN OF ALL AGES REGARDLESS OF WHERE IN THAT SYSTEM OF PUBLIC EDUCATION THEY HAPPEN TO ATTEND SCHOOL.

MR. CHAIRMAN, I AM PARTICULARLY CONCERNED WITH HOW THIS PROGRAM AFFECTS THREE HEAVILY IMPACTED SCHOOL DISTRICTS IN MY DISTRICT. I REPRESENT BOTH FORT RILEY AND FORT LEAVENWORTH, MILITARY BASES WHICH ARE GREAT STRENGTHS TO THIS COUNTRY'S NATIONAL DEFENSE.

GEARY COUNTY UNIFIED SCHOOL DISTRICT NO. 475 INCLUDES FORT RILEY. FORT LEAVENWORTH UNIFIED SCHOOL DISTRICT NO. 207 INCLUDES FORT LEAVENWORTH. LANSING UNIFIED SCHOOL DISTRICT NO. 469 IS ADJACENT TO FORT LEAVENWORTH AND SERVES MANY CHILDREN WHOSE PARENTS WORK AT FORT LEAVENWORTH.

THE GEARY COUNTY UNIFIED SCHOOL DISTRICT WHICH INCLUDES FORT RILEY, HAS A 70% STUDENT POPULATION OF "A"s AND "B"s COMBINED AND RELIES HEAVILY ON IMPACT AID FUNDING. WHILE IT HAD A JUSTIFIED NEED OF $6 MILLION IN FUNDING IN 1989, IMPACT AID PAYMENTS TOTALED ONLY $4 MILLION. THE DIFFERENCE BETWEEN THIS SCHOOL DISTRICT'S ENTITLED SHARE AND ACTUAL PAYMENT IS ALMOST $2 MILLION.

I THINK IT IS ALSO IMPORTANT MR. CHAIRMAN, FOR YOUR SUBCOMMITTEE TO REALIZE THAT THE FEDERALLY CONNECTED STUDENT ENROLLED IN THE GEARY COUNTY SCHOOL DISTRICT IS A STUDENT WHO HAS A VARIETY OF NEEDS WHICH ARE DIFFERENT FROM THE NORM. THIS IS NOT TO SAY THAT THESE ARE NECESSARILY REMEDIAL NEEDS THAT CAN BE MET THROUGH OTHER FEDERAL PROGRAMS LIKE CHAPTER 1.

THESE ARE STUDENTS WHO ARE HIGHLY MOBILE. OFTEN TIMES THEY ENTER SCHOOL EDUCATIONALLY BEHIND OTHER STUDENTS AND ARE IN NEED OF ASSISTANCE TO GET THEM UP TO SPEED. BECAUSE IN MOST

CASES, THE ENLISTED PARENT IS OUT TRAINING FOR WEEKS AT A TIME, THE STUDENT IS IN EFFECT DISCIPLINED BY A SINGLE PARENT. THIS IS NOT TO SAY THAT THE SINGLE PARENT IN THESE INSTANCES IS NOT DOING A GOOD JOB, BUT THEY DO HAVE THE KIND OF PROBLEMS YOU SEE IN OTHER PARTS OF THE COUNTRY WITH SINGLE PARENT FAMILIES. IN THE GEARY COUNTY SCHOOL DISTRICT, 60% OF THE STUDENTS ARE IN THE DISTRICT LESS THAN THREE YEARS.

THE FORT LEAVENWORTH SCHOOL DISTRICT IS IN A CATEGORY ALL BY ITSELF, IT IS PARTICULARLY UNIQUE IN THAT IT IS A COTERMINOUS DISTRICT AND SERVES 99% "SUPER A" CHILDREN (CHILDREN WHOSE PARENTS LIVE AND WORK ON FEDERAL PROPERTY). ITS BOUNDARIES ARE EXACTLY IDENTICAL TO THE BOUNDARIES OF THE FEDERAL PROPERTY. THEREFORE, IT IS ESPECIALLY VULNERABLE BECAUSE IT HAS NO LOCAL TAX BASE WHATSOEVER. A DISTRICT LIKE FORT LEAVENWORTH HAS A SPECIAL CLAIM TO FULL IMPACT AID FUNDING.

YET, BECAUSE OF ITS UNIQUE NATURE EVERY YEAR IT HAS HAD TO STRUGGLE TO SECURE ADEQUATE FUNDING, RELYING HEAVILY ON YEAR TO YEAR FINANCING AND 3(D)2(B) FUNDING. THE 3(D)2(B) PORTION OF THE PROGRAM IS THE ONLY PART THAT IS NEED BASED AND IS CRITICAL TO FORT LEAVENWORTH. BECUASE IT IS NEED BASED THIS FUNDING SHOULD NOT BE PRO-RATED. THE $20 MILLION CAP NOW IN LAW SHOULD BE REMOVED IN CASE PAYMENTS EVER EXCEED THAT AMOUUNT IN ORDER TO AVOID PRO-RATION OF THOSE FUNDS. FULL FUNDING OF THE IMPACT AID PROGRAM AND OF THE 3(D)2(B) PORTION WOULD ENSURE THAT FORT LEAVENWORTH COULD PLAN AHEAD LIKE ALL OTHER SCHOOL DISTRICTS.

THE LANSING SCHOOL DISTRICT FEDERALLY CONNECTED STUDENT

POPULATION HAS GROWN SIGNIFICANTLY IN THE LAST FIVE YEARS. AS WELL AS SERVING STUDENTS WHOSE PARENTS WORK AT FORT LEAVENWORTH, THE LANSING POPULATION REFLECTS FEDERAL EMPLOYEES WHO WORK AT THE LEAVENWORTH FEDERAL PETNITENTIARY.

THE TOTAL ENROLLMENT GROWTH IN LANSING FROM 1979 TO 1984 WAS 30 STUDENTS. HOWEVER, THE FEDERALLY CONNECTED STUDENTS (PRIMARILY "B" STUDENTS) GREW BY 107. THE ENROLLMENT GROWTH FROM 1984 TO 1989 WAS 384 STUDENTS. DURING THIS FIVE-YEAR PERIOD, THE FEDERALLY CONNECTED STUDENTS GREW BY 258. THIS RAPID GROWTH HAS LEFT THE DISTRICT WITH LITTLE SPACE AND RESOURCES TO ACCOMODATE THESE STUDENTS. THEY ARE IN URGENT NEED OF CLASSROOMS.

IN 1989, THE BOARD OF EDUCATION CONDUCTED A $7.5 MILLION BOND ISSUE FOR NEEDED CLASSROOM SPACE. THE VOTE WAS 299, YES, AND 889, NO. FULL FUNDING FOR CONSTRUCTION GRANTS IS ESPECIALLY IMPORTANT TO LANSING. I AM CONCERNED, HOWEVER, THAT BECAUSE SEVERE UNDERFUDING HAS CAUSED LONG WAITING LISTS, LANSING DOES NOT MEET THE CRITERIA TO QUALIFY FOR GRANTS EVEN THOUGH THEIR FEDERAL STUDENT GROWTH OF 365 COMPRISES 88% OF THE TOTAL GROWTH IN THE 79-89 PERIOD. FULL FUNDING OF SECTION 306 AT $10 MILLION WOULD BE HELPFUL.

THE FEDERAL GOVERNMENT MUST PAY THEIR FAIR SHARE OF THE COST OF BUILDINGS AND EDUCATIONAL PROGRAMS.

ULTIMATELY, THE ISSUE IS ONE OF EQUITY. LOCAL GOVERNMENTS, LEGITIMATELY, VIEW FEDERALLY CONNECTED CHILDREN AS A FEDERAL RESPONSIBILITY. THE CHILDREN IN THESE SCHOOLS ARE

THERE BECAUSE OF THE FEDERAL GOVERNMENT, AND NEITHER THE PARENTS NOR THE EMPLOYER MAKE ANY CONTRIBUTION TO THE SCHOOL SYSTEMS' REVENUES THROUGH THE LOCAL TAX STRUCTURE.

IT IS THE FEDERAL GOVERNMENT'S MORAL RESPONSIBILITY AND OURS, AS MEMBERS OF CONGRESS, TO ENSURE THE FULL FUNDING OF THE IMPACT AID PROGRAM. IMPACT AID WAS DESIGNED TO ENSURE THAT FEDERALLY CONNECTED CHILDREN RECEIVE A BASIC PUBLIC EDUCATION. IT IS IMPERITIVE THAT THE FEDERAL GOVERNMENT FOLLOW THROUGH ON THIS PROMISE.

MR. CHAIRMAN, ONCE AGAIN, I THANK YOU FOR ALLOWING ME TO SPEAK BEFORE YOU AND I THANK YOU FOR YOUR CONTINUING SUPPORT OF THIS PROGRAM. BEFORE I CLOSE, I WOULD LIKE TO RECOGNIZE, MR. CLYDE RANSOM, SUPERINTENDENT OF THE FORT LEAVENWORTH SCHOOL DISTRICT WHO IS HERE TODAY. HE AND SUPERINTEDENTS, LIKE DR. MAX HIEM AND DEAN WEAVER, WHICH OVERSEE DISTRICTS THAT ARE HEAVILY IMPACTED HAVE DONE A GREAT JOB OF WORKING WITH THE RESOURCES THAT THEY HAVE HAD--BUT THEY NEED HELP. I HOPE THAT YOU AND THIS SUBCOMMITTEE WILL GIVE IT TO THEM. PLEASE ALLOW FOR FULL FUNDING OF THE IMPACT AID PROGRAM. THANK YOU.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESSES

**HON. MARVIN LEATH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

**GORDON G. ADAMS, PRESIDENT OF THE SCHOOL BOARD, KILLEEN, TEXAS**

**DR. CHARLES PATTERSON, SUPERINTENDENT OF SCHOOLS, KILLEEN, TEXAS**

Mr. NATCHER. Our next witness is Mr. Marvin Leath of Texas. Come around, Mr. Leath. It will be a pleasure to hear from you at this time.

Mr. LEATH. Thank you very much, Mr. Chairman.

I especially appreciate the opportunity to once again appear before the distinguished gentleman from Kentucky and his fine committee. This makes 12 years that we have done this on behalf of Impact Aid. Funding for this program has become so critical, Mr. Chairman, that I have asked two of my constituents to join us today so that they can provide you a first-hand view very briefly of what is happening with insufficient funding. Mr. Gordon Adams is President of the School Board in Killeen, Texas, which is in the Fort Hood area, as you know. Dr. Charles Patterson is the Superintendent of Schools in Killeen.

With your permission I would like for each of these two gentlemen to very briefly outline the experiences that they are having today, and then I will make one very brief final request of the subcommittee.

Mr. NATCHER. Go right ahead, gentlemen.

Mr. ADAMS. Mr. Chairman, Members of the committee, I would like to thank you and Congressman Leath for allowing us to testify before you today, and also thank you, Congressman, for your long time recognition of the importance of a quality education for our military children.

I want to especially thank Congressman Leath for coming today because I know he does not feel like being here. He is a strong supporter of this program, and he has come to testify ill.

I am Gordon Adams, President of the Board of Trustees, I doubt you have had very many locally elected officials before you today. I want you to rest assured that we who are locally elected officials are very concerned about the future of our program. Our school district, which did include Fort Hood, has over 22,000 students and serves over 15,000 federally connected children.

Over 13,000 of our children are military dependents, and almost 6,000 of them live on Fort Hood itself. Over two-thirds of our own enrollment is made up of federal children. About 52 percent of the land is within the base itself. As a result, we are heavily dependent upon Impact Aid to provide the funds necessary to educate these children.

Last school year KISD spent only $2,900 per student. Impact Aid is a necessity, an absolute necessity for our children. It is not a luxury. In recent years our enrollment has increased by over 1,500 military students. Our Impact Aid payments, however, have actually declined because of changes in the formulas and lack of sufficient appropriations.

Most of our per pupil payments are being made at a rate less than what we received in fiscal year 1987. For over 100 B children, we now receive no funding at all. As you can imagine, this has caused a budget shortfall and we have raised our taxes over 51 percent in the last two years.

Even with this increase, however, we are still spending less than 80 percent of the state per pupil average. We are simply unable to raise enough locally to offset the reductions we have taken in Impact Aid.

I would now like to ask Dr. Patterson, our Superintendent of Schools, to describe the steps we have taken and the effect it has had on our children.

Mr. NATCHER. Thank you. Dr. Patterson.

Mr. PATTERSON. Mr. Chairman, thank you for your long historic support. We would like to say that the importance of the program is not numbers or formulas, but children. Some of your earlier testimonies alluded to that. Our children come from a lot of different places, many of them with second languages that need special attention, many of them miss days and weeks of school due to transfers in military posts, they fall behind. They adjust to new policies, new curriculum, new friends, and new policies, and they need some counseling.

Last year because of reductions in funding, we were forced to lay off or not lay off, but reduce our personnel by 170 positions. We eliminated an entire elementary counseling program, we raised our pupil-teacher ratio at our middle schools and high schools and had significant other cuts.

It is not something we will have to do, we have already had to do it. We would ask that as your committee considers appropriations that you remember the children. These are children that need our help. We are most grateful for your support, and I personally am most grateful for a Congressman who has been a wonderful supporter and has allowed us to testify.

Mr. NATCHER. Go right ahead, Mr. Leath.

Mr. LEATH. Mr. Chairman, as you can see from this briefing, the problems that are faces at the schools in the Fort Hood area are, indeed, very real. Because of the lack of sufficient funding for Impact Aid, the children of active duty personnel at Fort Hood are indeed suffering already.

There are larger class sizes, no counselors for elementary students, and fewer remedial and special assistance programs.

Action needs to be taken to assure that we don't lose any more ground. Although I strongly support the full authorized amount of $835,000,000, I realize that this amount may not be possible. In this event, I respectfully request that at least $620,000,000 be appropriated for Category A part of the program and $135,000,000 for Category B.

Mr. Chairman, again I want to applaud your leadership and efforts toward boosting spending on education in general, but I also want to voice a concern. The April 10th issue of Education Daily included a wish list on how the Department of Education might spend additional funds. The wish list included several worthwhile programs that enjoy wide spread popularity, programs like Pell grants, vocational special education, Chapter 1, math and science, and trio programs. However, I was appalled to find that education officials fail to include Impact Aid on this list.

In closing, I want to say that the Impact Aid program has survived because of your knowledge and your support for this program. I think it would have been gone years ago without that, Mr. Chairman, and for that we thank you and we applaud you and we appreciate the opportunity to meet with you today.

Mr. NATCHER. Thank you very much, gentlemen. We appreciate it.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

HON. DAVE McCURDY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. NATCHER. At this time I am going to recognize Mr. McCurdy. Mr. McCurdy from the Fourth District of Oklahoma.

Mr. McCURDY. Mr. Chairman, since we have a vote on and this is the fourth successive Congress that I have testified on behalf of Impact Aid, I would just ask unanimous consent to include my statement into the record and just again add our commendation to you for all the years of support for Impact Aid. My district is impacted like everyone else's, 17,000 students, 59 school districts, and for nine years we have been finding an Administration that has been trying to cut the request.

You restored it, you have protected it, and we certainly appreciate that, and we again ask you to continue that diligent support for Impact Aid.

Mr. NATCHER. Mr. McCurdy, thank you very much.

[The information follows:]

# Statement of Representative Dave McCurdy
# on P.L. 81-874 (Impact Aid)
The House Committee on Appropriations
Subcommittee on Labor-Health and Human Services-Education
April 26, 1990

Mr. Chairman, thank you for this opportunity to submit testimony in support of the Impact Aid program. It has been my privilege to testify before this subcommittee in each of the last four Congresses. I only regret that, each time, my testimony is in response to extreme budget cuts proposed by the Administration.

The past nine years have been difficult for school districts which educate the children of federal employees. The Administration has made no secret of its goal to decrease federal reimbursements for A students and to eliminate them completely for B students. The funding shortfalls have been devastating for many school districts. Allow me to review the basic premise behind impact aid funding.

Impact aid was created to ensure that the children of parents that live and/or work on tax-free federal property would have access to an equitable education without placing an unjust tax burden on local taxpayers. This concept is no less valid today than it was when the impact aid program was created by Congress in 1950.

Children of federal employees deserve to receive an equitable education which includes up-to-date math and science curricula. They need to learn about computer technology and data processing. They need a solid background in social studies and arts. Unfortunately though, the under-funding of impact aid programs means that many school districts aren't able to provide even this necessary, basic coursework to the students it serves.

Further, an indepth study conducted by several members of the National Association of Federally Impacted Schools shows that a high percentage of children of federal employees have special needs that require even more resources from the school districts.

Two of the most revealing pieces of evidence from the study show that 40% of the military B and 63% of the civilian B children are a year or more behind in reading skills, and do not attend schools that receive Chapter I funding. In the Lawton-Fort Sill area, which is in my congressional district, these percentages are both over 70%. Another startling fact is that on the average 12% of the B students are enrolled in special education classes. This is nearly twice the national average.

These special needs are placing a great financial burden on the local taxpayers and where local taxpayers can no longer take up the slack, the children of federal employees are often left with inadequate educational resources. Clearly, an inequity exists. It is the federal government's obligation to reimburse local school districts for the burden they assume.

State and local school districts are not trying to neglect their responsibilities. They are doing everything they can to finance education. The pursuit of excellence in education depends on each sector of the community paying its fair share for the education of its children. In instances where the schools are federally impacted, the federal government bears a part of the responsibility.

In my congressional district alone, there are 59 school districts which receive impact aid funding. Eighteen of those districts receive funding for B students, only. The average per pupil revenue of these 18 districts, known as super B districts, combined is $130 less than the state average in Oklahoma. That translates into $3000 less per classroom for these B districts than is available to the average school in Oklahoma. If B funding were to be eliminated as the Administration requests, these districts which receive only B funding would be even further below the state average.

The final issue that I want to address is the hold harmless cap on super B districts. Presently, super B districts cannot receive total funding above the level that they received in FY 1987 regardless of changes in their student population. Due to changes in the military structure, some military bases in the United States are gaining personnel and the school districts surrounding those bases do not receive additional impact aid funding. Therefore, this cap is likely to cause severe economic problems for super B districts and should be removed.

Mr. Chairman, I hope that Congress will continue to fund a program which has its basis in equity and obligation. It is the federal government's responsibility to provide funding to ensure a quality education for the children of its employees.

Thank you for allowing me the opportunity to testify today.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. ROBERT LAGOMARSINO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. NATCHER. Mr. Lagomarsino, why don't you testify? Go right ahead, we would be pleased to hear from you.

Mr. LAGOMARSINO. Mr. Chairman and Members of the committee, I would have no hope of being as eloquent or persuasive as my wife was a couple of days ago, but on the other hand, perhaps I can be a little more brief.

I ask that my full statement be included in the record.

Mr. NATCHER. It will be included in the record.

Mr. LAGOMARSINO. I would say, Mr. Chairman, that I have three military bases either in my district or adjacent to it that affect school districts in my district. For example, Vandenberg Air Force Base, Northern Santa Barbara County, takes up some 98,000 acres that otherwise would be on the tax rolls, provides some 3,400 school children that are federal responsibilities or should be, that cost to the local school district something like $4,000,000.

I would urge you, Mr. Chairman, for your committee, as you always have done, to provide as much funding as is possible for this very good program. I would suggest also that in these days of cutting back on defense spending, we are going to see some results that might make this even worse.

For example, if members of the military are laid off, required to retire early or if some of the school children of the civilian employees find that they are no longer at that base, while on the one hand that would result perhaps in some savings to the school district, on the other hand it would be that much less money that they are going to get, so I think that the need, at least for this interim period, as we sort this whole thing out, is perhaps even more necessary than it has been in the past, and I know that you will take that into consideration.

Thank you.

Mr. NATCHER. Thank you very much. We appreciate it. The committee will recess, come right back.

[The information follows:]

TESTIMONY OF
HONORABLE ROBERT J. LAGOMARSINO Robert J Lagomarsino
BEFORE THE
HOUSE APPROPRIATIONS SUBCOMMITTEE ON
LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION
THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN
APRIL 26, 1990

## SUPPORTING FULL FUNDING FOR IMPACT AID

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I WOULD LIKE TO THANK YOU FOR THIS OPPORTUNITY TO TESTIFY ABOUT THE IMPORTANCE OF THE IMPACT AID PROGRAM AND THE FUNDING LEVEL OF IMPACT AID FOR FISCAL YEAR 1991.

I UNDERSTAND THAT THERE ARE A GOOD NUMBER OF WITNESSES THAT WILL BE TESTIFYING THIS AFTERNOON, SO I WILL KEEP MY COMMENTS SHORT, AND I ASK THAT MY FULL STATEMENT BE INCLUDED IN THE RECORD.

I STRONGLY SUPPORT THE IMPACT AID PROGRAM AND I RESPECTFULLY REQUEST THAT IMPACT AID BE FUNDED AT ITS FULL AUTHORIZATION LEVEL OF $835 MILLION FOR FISCAL YEAR 1991. I VOTED FOR THAT REAUTHORIZATION FIGURE AND 1988, AND I HOPE TO SEE IT MET WITH APPROPRIATIONS THIS YEAR.

AS YOU KNOW, THIS YEAR MARKS 40TH ANNIVERSARY FOR THE IMPACT AID PROGRAM, AND THE PROBLEMS FACING SCHOOL DISTRICTS SERVING "FEDERALLY CONNECTED" STUDENTS ARE MUCH THE SAME. NATIONWIDE, ABOUT 40% OF THE FUNDING FOR PUBLIC SCHOOL SYSTEMS WILL COME FROM THE LOCAL LEVEL. AT THE SAME TIME, VAST AMOUNTS OF REAL PROPERTY OWNED BY THE FEDERAL GOVERNMENT ARE EXEMPT FROM PROPERTY TAXES.

WHILE LOCAL EDUCATION AGENCIES NEAR FEDERAL FACILITIES ARE RECEIVING LESS TAX REVENUES, THE CIVILIAN AND MILITARY PERSONNEL AND THEIR FAMILIES ASSOCIATED WITH THOSE FACILITIES ARE CREATING ADDITIONAL BURDENS ON LOCAL SCHOOLS. THE BOTTOM LINE IN THIS EQUATION IS EASY TO READ...WITHOUT SUFFICIENT IMPACT AID FUNDS, THESE SCHOOLS MUST DO MUCH MORE WITH MUCH LESS.

SEVERAL FEDERAL FACILITIES, INCLUDING THREE MAJOR MILITARY INSTALLATIONS IN SANTA BARBARA AND VENTURA COUNTIES HELP CREATE THE NEED FOR IMPACT AID FUNDING FOR NINE SCHOOL DISTRICTS IN MY CONGRESSIONAL DISTRICT. VANDENBERG AIR FORCE BASE IN SANTA BARBARA COUNTY AND PORT HUENEME AND POINT MUGU NAVAL BASES IN VENTURA COUNTY ARE ALL VITAL MILITARY FACILITIES CONTRIBUTING TO OUR NATIONAL SECURITY. HOWEVER, THEY REQUIRE VAST AMOUNTS LAND. VANDENBERG ALONE COVERS 98,000 ACRES...ALL EXEMPT FROM PROPERTY TAXES.

FAMILIES CONNECTED WITH VANDENBERG AIR FORCE BASE AND THE FEDERAL PENITENTIARY AT LOMPOC ADD THE NEEDS OF OVER 3400 STUDENTS TO THE LOMPOC UNIFIED SCHOOL DISTRICT'S RESPONSIBILITIES. THE PRICE OF EDUCATING THESE CHILDREN IS ESTIMATED TO BE ALMOST $4 MILLION. WITHOUT IMPACT AID FUNDING FOR THE LOMPOC UNIFIED SCHOOL DISTRICT, THE LOCAL TAXPAYERS WOULD HAVE TO PROVIDE THAT EXTRA $4 MILLION.

OTHER SCHOOL DISTRICTS IN VENTURA AND SANTA BARBARA COUNTIES...INCLUDING BUELLTON, SANTA YNEZ VALLEY, COLLEGE, ORCUTT, SANTA MARIA JOINT, SANTA MARIA-BONITA, AND VENTURA...FACE SIMILAR "MORE WITH LESS" PROBLEMS.

CLEARLY, EDUCATING THE CHILDREN OF CIVILIAN AND MILITARY FEDERAL EMPLOYEES IS VITALLY IMPORTANT TO AMERICA...PRESIDENT BUSH AND THE 101ST CONGRESS HAVE EMPHASIZED THE EDUCATION OF ALL CHILDREN AS A NATIONAL PRIORITY. AS ANOTHER STEP TOWARDS MEETING THIS NATIONAL PRIORITY, I STRONGLY SUPPORT APPROPRIATING THE FULL AMOUNT AUTHORIZED FOR THE IMPACT AID PROGRAM.

MR. CHAIRMAN, THANK YOU FOR THIS OPPORTUNITY TO ADDRESS THE COMMITTEE.

THURSDAY, APRIL 26, 1990.

# IMPACT AID

## WITNESS

### HON. ARTHUR RAVENEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. NATCHER. Our next witness is Mr. Ravenel of South Carolina.

Come around. We are pleased to have you before the committee.

Mr. RAVENEL. Thank you, Mr. Chairman.

Every year the Impact Aid representatives from my district come up here to Washington, and every year their message is the same. We simply cannot meet the cost of educating our Federally connected students unless the Impact Aid payments are made hopefully at least close to full entitlement.

As you may know, Mr. Chairman, the Charleston Naval Shipyard, Charleston Air Force Base, Parris Island Marine Corps Base and numerous other military facilities place an estimated 40 percent of my district's payroll in the hands of the Department of Defense and draw in private military and related business.

As such, the Federal Government owns a large portion of the real estate in various communities which is worth tens of millions of dollars, and from which our school districts collect no property taxes.

Five of the seven counties in my district receive Impact Aid funds. They simply could not pay for the education of the 23,558 Federally connected students without this program. The 1989 entitlement for my district was $17,815,028. However, the 1989 total payment was only $5,248,836, producing a shortfall of $12,566,000. Our schools provided 100 percent of the education for most of these children, yet were reimbursed for only 29.5 percent of their costs.

Mr. Chairman, ours is still the question President Truman posed over 40 years ago when he signed Impact Aid into law: Whose responsibility is it to re-educate these particular students and who should pay the bill? The answer to the first question is the local school districts; and the answer to the second, the Federal Government.

Thank you very much, Mr. Chairman.

Mr. NATCHER. Thank you very much, Mr. Ravenel. You have given us a good statement and we appreciate it.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. NORM DICKS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. NATCHER. Our next witness is our friend from the State of Washington and a Member of the Appropriations Committee and a Member who walks down the center aisle and helps us every time we take our bill to the Floor, whose name is Norm Dicks.

Mr. DICKS. Thank you, Mr. Chairman.

I just want to put my statement in the record. I know this has been a long day for you.

This subcommittee, of course, has done an outstanding job with your leadership on protecting Impact Aid and other education programs, student loans, et cetera, so I just want to say, keep up the good work.

Impact Aid in the State of Washington is a very important program. In my district we have a large number of very significant and important defense bases, and the school districts in those areas depend very heavily on Impact Aid. Obviously we have had the question about As and Bs over the years and the committee has worked with us to protect the program. So, Mr. Chairman, you can count on my continued support, and I just appreciate being here today and having a chance to see you and your Chairmanship and thank you for all the good that you have done for our country and for the State of Washington and for my district. I appreciate it.

Mr. NATCHER. Mr. Dicks, thank you very much. We appreciate that.

[The information follows:]

Statement of

**CONGRESSMAN NORM DICKS**

to the

House Appropriations Subcommittee on

Labor-Health & Human Services-Education

April 26, 1990

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Mr. Chairman, I would like to thank you and the members of this Subcommittee for once again providing me the opportunity to speak before you on the importance of funding for the Impact Aid program.

I am pleased that this Subcommittee has consistently supported the need to provide local communities with funds to help educate the dependents of military personell. This support has recognized the need to offset the dimished local tax base that characterizes communities serving large federal installations. In my Congressional District, the proportion of local property taxes that are sacrificed in order to host large military bases is huge and represents a contribution from our community to the security of this nation.

But this sacrifice has limits, as you know Mr. Chairman. The Impact Aid program, Public Law 874, was developed because the education of military dependents is, itself, related to our national security. It is clearly not in our national security interest to allow school districts in federally-impacted communities to decline in quality--to subject students from families living and working on these installations to inferior educational programs.

In the past, I have come before this Subcommittee to urge you to maintain this commitment to Impact Aid, and you have done so. Despite the many attempts over the past several years to reduce funding for federally-impacted school districts, and to eliminate entirely the so-called "B" students, this Subcommittee has been unwavering in its support.

The President's FY 1991 budget request proposal requests a total of $660.8 million for Impact Aid, which is $71.5 million less than the current FY 1990 appropriation. While I was surprised that some "B" funding was included in the Administration's request, the amount specified was only $25 million--far short of the $123 million appropriated in this fiscal year. Obviously, Mr. Chairman, such a sharp decrease in funding for the "B" students would be devastating, not only to my Congressional District, but to the State of Washington. More than 86 of Washington's 229 school districts would be affected by a decrease in "B" funding, impacting 49,000 school children.

I am, therefore, asking once again for your strong opposition to the Adminstration's FY 1991 budget proposal for Impact Aid. This program has already borne its share of the burden of budget cuts throughout the past ten years. Further reduction, particularly of this magnitude, will merely remove opportunities from children whose parents are serving the United States armed forces or working at federal installations.

Due to the impact of several large military bases in the 6th Congressional District, more than one-third of the school districts depend on Impact Aid. The Clover Park School District in Tacoma, for example, has maintained exceptional educational services with the assistance of Impact Aid funds. As the largest recipient of Impact Aid funds in the State of Washington, Clover Park provides quality educational services to the school-aged children and adults from McChord Air Force Base, Fort Lewis, and Madigan Army Medical Center. The district serves more than 12,000 students in grades K through 12 and of those 12,000 students, 7,000 have parents connected with the military installations.

In responding to the educational needs of military dependents, programs must be geared to children who have a variety of needs which are different from the norm. This is not to say that these are necessarily remedial needs that can be met through other programs like Chapter 1. These are children from families which are highly mobile and often enter new schools every year and often find themselves educationally behind other students. Clover Park provides programs which assess, provide remedial instruction or give advanced help as abilities dictate. This must be done quickly and efficiently because the turnover rate of these students ranges from 70 to 100 percent in Clover Park's seven "on-base" schools. These exemplary services for students can be matched against any non-military school district. Yet, its ability to do so is only possible with the help of continued Impact Aid funds.

Mr. Chairman, I am committed to working towards reducing the federal budget deficit. However, I am not in favor of reneging on the commitment to quality education for federally connected children by reducing Impact Aid funds, particularly for "B" students. Ultimately, the issue is one of equity. Without adequate federal assistance, the quality of education for many students will be compromised. Not only is this unfair to the individual student, but it is also unfair to the communities that are attempting to be good neighbors to the federal installations within their boundaries.

Superintendents, teachers, parents and Members of Congress are the ones who speak in support of Impact Aid. But the real voice which must come through is the voice of the children. These children are saying that they deserve the same opportunity for a quality education as other children not connected to military installations.

Mr. Chairman, you and the members of this Subcommittee are very familiar with the reasons why Congress enacted the Impact Aid Laws, 81-874 and 81-815, and those reasons are just as relevant today.

I thank you, Mr. Chairman, and the members of this Subcommittee for your past support of Impact Aid. I look forward with anticipation to your action on the FY 1991 budget proposals.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESSES

**HON. JIM SAXTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY**

**BOB MOORE, SUPERINTENDENT OF SCHOOLS, PEMBERTON TOWNSHIP SCHOOL DISTRICT**

**CLINT MILLER, SUPERINTENDENT OF SCHOOLS, NORTH HANOVER TOWNSHIP SCHOOL DISTRICTS**

Mr. NATCHER. Our next witness is Mr. Saxton.

Come around, Mr. Saxton. We are delighted to have you before the committee.

Mr. SAXTON. Mr. Chairman, thank you very much.

Once again, our annual trek to see you here. We appreciate the opportunity to be here, and I would just like to introduce the two gentlemen, one on either side of me, from the two impacted schools in my district, Mr. Bob Moore on my left from Pemberton Township School Districts, which services the boys and girls who are military dependents on Forth Dix, New Jersey, and Mr. Clint Miller, on my right, who is responsible for the education of all those boys and girls who live on McGuire Air Force Base.

It is kind of an interesting situation, Mr. Chairman, particularly given the budget constraints that we find ourselves under. In the case of Pemberton Township, they were so interested in this hearing that they brought three or four other people from the Board of Education, Mr. Washington Georgia, who is sitting behind me here, and Mr. Mark Cowell, who is the Board Administrator, and Mr. Bob Height, who is the Board Administrator for Federal programs. These are obviously, Mr. Chairman, as you know, very important problems for impacted schools all across the country, and in my case, like all of the others, we have the same kinds of concerns.

It might be of interest to note, for example, that 77 percent of the boys and girls who attend school in the North Hanover School District are children who live on McGuire Air Force Base, and that is, of course, a heavy load for that school district to take care of.

In the case of Pemberton Township, which services Fort Dix, 43 percent of the boys and girls who attend that school are children who are connected in one way or another with Fort Dix, and so like others who have testified before me today, I would point to the general need for a continuation of the programs that have provided such good help for these school districts to provide good educations for the children who attend those schools.

But more than that, Mr. Chairman, there are two other points that I would like to make which I think are unique points and points that you and I have talked about in prior years when I came before you to testify and in private discussions as well. One is that each year, and it is not just the effort that you and I go through, and particularly yours, Mr. Chairman, holding this set of hearings to invite all of us who are interested in this subject to come testify, but the fact that the procedure needs to be gone through each year makes it impossible for people like this to plan for the education of dependent children of Army and Air Force and Navy and Marine families, and I think that we owe it to the kids and we owe it to the administrators to try to put some regularity in the process by making the impacted funds an entitlement which would go forward year after year without having to be subject to the appropriations process.

I know that in times of tight money that may be a difficult thing to ask, but once again the bill has been introduced. I hope that we will be able to consider that bill some day.

This year, Mr. Chairman, I think is different than any of the prior years that I have had the opportunity to come here and testify because we face a very difficult situation in these two schools, and I think in schools across the country as well because of the situation in which we find ourselves relative to building down our defense forces. Whether we listen to Mr. Cheney's figures, and he says that we are going to take out 75,000 people service-wide in the coming year, or whether look at the budget figures that are probably going to be in the budget that we are considering on the Floor this afternoon, which would indicate that more like 200,000 people would be taken out of the Armed Services, those numbers reflect in a very direct way the number of children that would be taken out of the schools like the two that I represent, and that, Mr. Chairman, would make an exceedingly difficult task for these people to provide an education for kids.

If the numbers go down in significant numbers, and if the dollars therefore go down in significant amounts to compensate in a negative way for those reductions, and I would just like to say, Mr. Chairman, that in this year when so much uncertainty in terms of the number of people that will remain in the service, how much we will build down and the reflections that we will have in terms of school finance, that this is a year when I know that you will want to continue as you have in the past to make every effort to provide every dollar that we can for Impact Aid.

And so, Mr. Chairman, again I thank you for having us here today to make these points which I think are so very important, and we look forward to working with you throughout this process.

Thank you very much.

Mr. NATCHER. Mr. Saxton, we want to thank you and the two gentlemen with him. Thank you very much.

[The information follows:]

# STATEMENT OF CONGRESSMAN JIM SAXTON (NJ-13) BEFORE THE SUBCOMMITTEE ON LABOR - H.H.S. - EDUCATION OF THE APPROPRIATIONS COMMITTEE

APRIL 26, 1990

## REGARDING FUNDING FOR THE FEDERAL IMPACT AID PROGRAM

Mr. Chairman, I appreciate the opportunity to appear before your subcommittee today in order to express my support for the Impact Aid program. I enjoy appearing before the subcommittee on an annual basis. The Chairman has been a friend of the Impact Aid program for many years. For that, my constituents and I are thankful.

With me today are representatives of two of the eight Local Education Agencies in my New Jersey Congressional District which rely on the Impact Aid program. Mr. Clint Miller is the Superintendent of Schools for the North Hanover Township. North Hanover Schools educate students who are dependents of federally-connected personnel at McGuire Air Force Base.

Also with me are representatives of the Pemberton Township Board of Education including, Bob Moore, the Superintendent of Schools; Washington Georgia, Board Member; Mark Cowell, Board Administrator; Ernie Seaver, Solicitor for the Board and Civilian Aide to the Secretary of the Army; and, Bob Height, Board Administrator of Federal Programs. Pemberton Township's students include dependents of federally-connected personnel at Fort Dix Army Base.

Mr. Chairman, as you know, Impact Aid is a very complex and often misunderstood program. At a very basic level, it is a federal policy designed to assist school districts that are financially burdened as a result of existing, new or expanded federal activities. The idea is a simple one -- federal ownership of property within a local school district reduces local tax income for school purposes -- and -- an increase in personnel associated with a federal project frequently results in an increased number of children to be educated by the local school district.

Impact Aid should not be a discretionary program. Impact aid is a payment made by the federal government for services rendered by the local school district. Impact aid is an obligation of the federal government.

My friends from Pemberton and North Hanover know, however, that this works better in theory than in practice.

In North Hanover, a full seventy-seven percent of the student body are dependents of military personnel stationed at McGuire. The majority of these students, over 1,300 in number, are "A" students whose parents live and work on federal property, contributing nothing in local school taxes.

Although almost four-fifths of thier students are impact aid students, total impact aid funding contributes less than half of North Hanover's total budget.

It is important to note that the taxpayers of North Hanover township are making every effort to pay their fair share of taxes. The township's most recent budget proposal calls for a thirty percent increase in local taxes -- an impressive increase indeed -- almost as impressive as the fifty percent increase the year before.

The gentlemen from Pemberton Township are also familiar with short-falls of the Impact Aid program. Forty-three percent of the students that they educate are connected to Fort Dix. In 1989, Pemberton received only sixty percent of the $5.7 million of Impact Aid that they were entitled to. However, Pemberton is faced with a more pressing problem and a questionable future.

When I testified before your panel last May, the ink on the BRAC report -- the report of the Commission on Base Realignment and Closure had barely had time to dry. As you know, Mr. Chairman, the commission recommended Fort Dix be reduced to "semi-active status" which included a reduction in the activities at the base and, in turn, a major reduction of Army personnel -- and their families. The burden that this would have placed on Pemberton would be more then they could bare.

Pemberton had just begun construction of a $16.8 million dollar addition that will double the size of their school. You see, Mr. Chairman, the Army had previously warned Pemberton to prepare for an influx of 200 additional families at the base. Pemberton committed to financing arrangements that will require payments of $2 million a year for the next twenty years. Impact aid was to help cover this cost.

Of course as the recommendations of the BRAC commission are implemented, Pemberton gets stuck with a $17 million "white elephant."

The year since the BRAC report was released has been a busy one for these Pemberton officials and myself. We have worked hard to assure that there be a viable mission -- along with the military personnel and children -- in place at the base. In light of the events in Eastern Europe and a changing emphasis of our military strategy, the future for Fort Dix and Pemberton looks promising. However, as we learn every day on Capitol Hill, nothing is ever definite.

Mr. Chairman, Pemberton Township needs to know that the federal government will not fail in their commitment. While Section 3(e) of Public Law 81-874 does provide a phase-out provision, this provision is never funded. In addition, it turns out that the phase-out formula stipulated in law does not provide for the full amount intended. As the Congress works to correct the formula, I call on the sub-committee to provide sufficient funding.

In closing, I urge the subcommittee to fund the impact aid program to the maximum extent possible. Both category "a" and "b" payments deserve to be maintained at levels which make sense. School districts across the nation, including Pemberton and North Hanover, provide a service for the dependents of our military personnel. Congress must continue to pay it's fair share for these services.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. BILL LOWERY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. NATCHER. Our next witness is our friend and colleague from the State of California, a Member of the Appropriations Committee, Mr. Lowery.

Come around, Mr. Lowery. We would be pleased to hear from you at this time.

Mr. LOWERY. Chairman Natcher, good afternoon. It is obviously springtime again because we are all testifying before you committee, and this has become in Washington at least one of the traditional rights of spring.

I do appreciate the opportunity of testifying on the Impact Aid program before you, and I am pleased that there is such a large demonstration of support from our House colleagues.

I will keep my remarks brief, and would request that my statement be made a part of the record.

Mr. NATCHER. It will be included in the record.

Mr. LOWERY. Mr. Chairman, as you are probably aware, a quarter of the U.S. Fleet and the center of Naval operations and training on the West Coast are located in my district in San Diego. No one can dispute San Diego is indeed an impacted community.

There are 22,000 Federally-connected students, 8,636 of whom are Category A, probably one of the largest concentrations in the country.

As this panel is well aware, there is an extreme difference in rate of reimbursement for Category A students. The difference is not equitable and can lead to serious distortions and encourage States and schools to draw artificial district boundaries.

For example, there are two schools with approximately 3,500 Category A students from the Murphy Canyon Naval Housing Project. If the area were drawn as one isolated "Super A" district, it would receive 100 percent of entitlements and cost the Federal Government several million dollars more. Instead, this area is incorporated into the San Diego Unified School District and the students are counted as "Regular As."

Further, the rate of reimbursement for the Category B students barely covers the expense of enrolling each child. The current rate of reimbursement for the B student is approximately $40. With the rising cost of educating students at risk of dropping out or those students from military families who transfer frequently from school to school, Federally-impacted schools bear a special burden of providing instruction without benefit of adequate revenues to cover costs.

I request that the committee consider the disparity of reimbursements within Category A and the lack of adequate per-student expenditure for the Category B students when examining the appropriation for the Impact Aid program.

Finally, lack of revenues from Federally-owned military housing further heightens recognition of the importance of Impact Aid to school districts. In California, before the completion of new house construction, a fee is paid to the local school district, based on the size of the residence.

These developer's fees, averaging $2,000 to $3,000 per home, are used partially to build schools that are needed for the increased number of children moving into the new housing area.

However, when the Federal Government builds military housing, they do not pay any fees. Therefore, no additional funding is contributed to assist in offsetting the new influx of students. In effect, local civilians end up carrying the financial burden for providing more schools not only for their own children, but for the children of military personnel as well.

In closing, Mr. Chairman, I would hope that the committee can help in this appropriation to provide a solution that will consider the situation of a community such as San Diego. If the city were paid at a 100-percent entitlement for its Category A students, the school district would have received $16,200,000 more in 1989.

As always, I appreciate the opportunity to appear here today and your panel's continued interest and support of this issue. You have been wonderful, Mr. Congressman, through the years. You have been a big supporter of this program.

Mr. NATCHER. Thank you very much. You have made an excellent statement. And you are a good member of our committee. We are glad to have you.

[The written statement follows:]

Congressman Bill Lowery's

Testimony before

The
Appropriations Committee
Subcommittee on Labor, Health and
Human Services, and Education
Chairman William H. Natcher

April 26, 1990

Mr. Chairman, members of the Subcommittee, I would like to thank you for the opportunity to appear before you today in support of the impact aid program. I am pleased to see such a large demonstration of support for this program today and in consideration of your time I will keep my remarks brief and request my full statement be made part of the record.

As the home port of a quarter of the U.S. Fleet and the center of Navy operations and training in the west, no one can dispute San Diego is an impacted community. The city has over 15 military installations within the school district's boundaries which produce nearly 22,000 federally connected students. Specifically, 8,636 of the students in the San Diego Unified School District are Category "A", probably one of the largest concentrations in the country. In my congressional district, the Murphy Canyon Naval Housing Project has nearly 5,000 students who attend San Diego's public schools.

I am proud to say San Diego has always provided a high quality, complete educational program for the dependents of the military families, including forty-five magnet school options and numerous special education services. However, the school district received only forty percent of its entitlements for its 8,400 Category "A" students last year. The number of "A" students has grown this year by over 200, yet the district most likely will continue to receive far less than 100% of its entitlements.

As this panel is well aware, there is an extreme difference in rate of reimbursement for Category "A" students. The difference is not equitable and can lead to serious distortions and encourage states and schools to draw artificial district boundaries. For example, there are two schools with approximately 3500 Category "A" students from the Murphy Canyon Naval Housing Project. If the area were drawn as one isolated "Super A" district, it would receive 100% of entitlements and cost the federal government several million dollars more. Instead, this area is incorporated into the San Diego Unified School District and the students are counted as "Regular A's."

Further, the rate of reimbursement for the Category "B" students barely covers the expense of enrolling each child. The current rate of reimbursement for the "B" student is approximately $40. With the rising cost of educating students at-risk of dropping out or those students from military families who transfer frequently from school to school, federally-impacted schools bear a special burden of providing instruction without benefit of adequate revenues to cover costs. I request that the Committee consider the disparity of reimbursements within Category "A" and the lack of adequate per student expenditure for the Category "B" students when examining the appropriation for the impact aid program.

Finally, lack of revenues from federally-owned military housing further heightens recognition of the importance of impact aid to school districts. In California, before the completion of new house construction, a fee is paid to the local school district, based on the size of the residence. These developers fees, averaging $2,000 to $3,000 per home, are used partially to build schools that are needed for the increased number of children moving into the new housing area. However, when the Federal government builds military housing, they do not pay any fees. Therefore, no additional funding is contributed to assist in offsetting the new influx of students. In effect, local civilians end up carrying the financial burden for providing more schools not only for their own children, but for the children of military personnel as well.

In closing, Mr. Chairman, I would hope that the committee can help in this appropriation to provide a solution that will consider the situation of a community such as San Diego. If the city were paid at a 100% entitlement for its Category "A" students, the school district would have received $16.2 million more in 1989. As always, I appreciate the opportunity to appear here today and your panel's continued interest and support of this issue.

THURSDAY, APRIL 26, 1990.

# IMPACT AID

## WITNESS

### HON. BILL EMERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. NATCHER. Our next witness is Bill Emerson from the State of Missouri. We are glad to have you before the committee, and we will be pleased to hear from you.

Mr. EMERSON. Thank you, Mr. Chairman.

I am indeed grateful for this opportunity to testify before you today and to testify in support of Impact Aid.

I understand that over 90 percent of Impact Aid payments are made to schools which are impacted by the military; we know these as section 3 payments. It is reasonable to assume, then, that the majority of my colleagues who come before you today will speak about the importance of section 3 payments. I will therefore turn my focus to a Federal impact of a different sort, that of land removed from the tax rolls after purchase by the Federal Government, better known to school districts as section 2 payments.

I ask you to consider Eminence, Missouri as an example. Eminence's 3(a) and 3(b) students comprise 17.6 percent of the total enrollment, a significant percentage. But the district is even more heavily affected by a section 2 type Federal impact.

Roughly 19,200 acres of land in the Eminence school district are now part of the Ozark National Scenic Riverways. This land has been assessed at a whopping $3,185,700, 33 percent of the school district's real property valuation.

Federal ownership of such a significant portion of the district's tax base severely restricts the ability of the district to raise money to support its schools. And in a district like Eminence, there is not always a whole lot of money there to be raised. In Shannon County, Missouri, where Eminence is located, the average income is between $6,000 and $8,000 per family.

Mr. Chairman, the growing demands and competitiveness of today's job market require, now more than ever, well-educated, well-trained students. A heavy Federal presence in a school district, whether through section 2 land ownership or section 3 students, places added weight on our already-burdened school districts. We cannot ask schools to provide better and better services, and yet impede their traditional means of support.

Impact Aid is not a giveaway program. It is not "educational welfare." It is the repayment of a debt which the Federal Government has incurred, and we should honor that commitment to our struggling public schools.

Once again, Mr. Chairman, I thank you for your gracious attention and hearing my plea to you.

Mr. NATCHER. Mr. Emerson, it is a pleasure to have you before our committee. For the benefit of these ladies and gentlemen that are present, this gentleman who has just finished testifying was a Page in the House of Representatives on March 1, 1954, when the Puerto Ricans came in and shot five of the Members. He was serving as a Page. I saw him that day. I was here. That shows you what kind of a country we live in. We live in the right kind of country.

Bill, it is a pleasure.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESSES

**HON. IKE SKELTON, REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI**

**JIM BRADY, WAYNESVILLE, ILLINOIS**

**LARRY FINKNEY, KNOB NOSTER, ILLINOIS**

Mr. NATCHER. Our next witness is Ike Skelton.

Come around, Mr. Skelton.

We would be pleased to have you.

Mr. SKELTON. Mr. Chairman, it is a pleasure to be with you. I wish to introduce from Waynesville, Illinois, Jim Brady from Knob Noster and Larry Finkney, also with him from the State of Illinois.

We appreciate them coming from Missouri to be with us.

I ask that my full statement be included in the record.

Mr. NATCHER. It will be placed in the record in its entirety.

Mr. SKELTON. You were mentioning the 1950's a moment ago. It was 1950 when President Harry Truman signed the initial impact aid bill into law.

It has been part of the assistance for education in our country every since.

Just a couple of things I would like to leave with you, Mr. Chairman, because I know you have heard all the eloquent arguments, far more eloquently than I can do.

I represent the Fourth District of Missouri. Eighty-nine percent of all of the impact aid in the State of Missouri comes to my district.

In district we have Fort Leonard Wood, which is in Polasky County. We have Whiteman Air Force Base in Johnson County. Whiteman Air Force Base is scheduled to be the home of the Stealth Bomber. It already is the home of 150 Minutemen, two missile silos.

Fort Leonard Wood, just this week, Mr. Chairman, was dedicated as the Army engineering school for the entire nation. Of course there was a lot of international people. I would like to tell you that these are major military installations. I am concerned over some figures that have been given to me.

I will leave you with just this. Waynesville, Missouri, just outside Fort Leonard Wood, Waynesville School District, represented by Jim Brady here has 81 percent of its students directly related to Fort Leonard Wood.

Seventy percent of that 81 percent are military. The other are civilian. Only 20 percent of the total budget for that school district in Waynesville, only 20 percent of it comes from impact aid.

What it amounts to is the local population has been for a number of years picking up a great slack for educating the people in uniform and out of uniform who are connected with the military and with the civil service.

I think we should do our best. I am here to urge the funding for the $835,000,000 for the impact aid. The figures at Whiteman Air Force Base would be comparable.

I strongly urge this inequity be helped as much as we possibly can.

[The information follows:]

# TESTIMONY
# OF
# CONGRESSMAN IKE SKELTON
# BEFORE THE
# HOUSE SUBCOMMITTEE
# ON
# LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

APRIL 26, 1990

MR. CHAIRMAN, I WANT TO THANK YOU FOR THE OPPORTUNITY TO TESTIFY TODAY. EACH YEAR, YOU HAVE PROVIDED THE CHANCE FOR MEMBERS OF THE HOUSE TO SHOW THEIR SUPPORT FOR IMPACT AID. I APPRECIATE YOUR EFFORTS ON BEHALF OF WHAT I BELIEVE IS A VERY IMPORTANT FEDERAL EDUCATION PROGRAM.

IN SEPTEMBER OF 1950, PRESIDENT HARRY TRUMAN SIGNED INTO LAW P.L. 81-874 AND P.L. 81-815. AT THAT TIME, PRESIDENT TRUMAN AND MANY MEMBERS OF CONGRESS SAW THE NEED TO GIVE FUNDING TO THOSE SCHOOL DISTRICTS FINANCIALLY IMPACTED BY THE FEDERAL GOVERNMENT. WITH THE END OF WORLD WAR II THERE WAS CLEARLY A NEED FOR SUCH FUNDING AND, WITH OUR EVER CHANGING AND HIGHLY COMPETITIVE WORLD OF TODAY, THAT NEED REMAINS.

MISSOURI'S FOURTH CONGRESSIONAL DISTRICT, WHICH I REPRESENT, CONTAINS TWO MAJOR MILITARY INSTALLATIONS, FT. LEONARD WOOD AND WHITEMAN AIR FORCE BASE. APPROXIMATELY 89 PERCENT OF THE IMPACT AID FUNDS THAT GO TO THE STATE OF MISSOURI GO TO THE FOURTH CONGRESSIONAL DISTRICT.

FT. LEONARD WOOD SERVES AS THE HOME OF THE U.S. ARMY ENGINEERING SCHOOL. THE MISSION OF THIS BASE IS VITAL TO NOT ONLY OUR MILITARY STRATEGY, BUT ALSO TO OUR CIVILIAN COMPETITIVENESS. I BELIEVE THAT EVEN WITH THE IMPENDING MILITARY CUTS, FT. LEONARD WOOD WILL CONTINUE TO BE AN IMPORTANT ELEMENT IN OUR NATION'S MILITARY STRUCTURE.

JUST OUTSIDE THE GATES OF FT. LEONARD WOOD IS THE TOWN OF WAYNESVILLE. THE CITIZENS OF WAYNESVILLE HAVE A HISTORY OF SUPPORTING THE BASE IN MANY DIFFERENT WAYS. THE COMMUNITY HAS AND WILL BENEFIT GREATLY FROM THE MILITARY PRESENCE IN THE AREA.

HOWEVER, THERE ARE ALSO MANY NEGATIVE CONSEQUENCES THAT ARE RELATED TO THIS FEDERAL PRESENCE. ONE NEGATIVE THAT IS ATTRIBUTED TO THIS PRESENCE IS THE LOSS OF THE LOCAL TAX-BASE. PROPERTY TAX LOSS DUE TO THE NUMBER OF MILITARY PERSONNEL, MANY OF THEM CLAIMING THEIR RESIDENCE IN ANOTHER STATE, CAN BE DEVASTATING TO THESE LOCAL SCHOOL DISTRICTS. SURE, THESE RESIDENTS GO OUT INTO THE WAYNESVILLE COMMUNITY AND SPEND THEIR HARD EARNED CASH. BUT MUCH OF THIS HARD EARNED CASH IS SPENT ON THE BASE AT THE COMMISSARY, POST EXCHANGE, THEATERS, BOWLING ALLEY AND FAST FOOD OUTLETS. ONCE AGAIN, THIS RESULTS IN A LOSS TO THE LOCAL TAX BASE.

THE WAYNESVILLE R-VI SCHOOL DISTRICT HAS 81 PERCENT OF ITS STUDENTS DIRECTLY RELATED TO FT. LEONARD WOOD -- 70 PERCENT MILITARY -- AND ONLY 20 PERCENT OF THEIR TOTAL BUDGET COMES FROM THE IMPACT AID PROGRAM.

THE SITUATION IN THE WHITEMAN AIR FORCE BASE AREA IS SIMILAR. WHITEMAN IS SOON TO BE THE HOME OF THE FIRST WING OF B-2 STEALTH BOMBERS. THOUGH THERE ARE QUESTIONS ABOUT THE FATE OF THAT BOMBER, GROWTH AND EXPANSION HAVE ALREADY BEGUN AT THE BASE.

THE KNOB NOSTER R-VIII SCHOOL DISTRICT WILL EXPERIENCE MOST OF THIS PROJECTED GROWTH. IN PLANNING FOR THEIR FUTURE BUDGETS, THIS SCHOOL DISTRICT CAN USE ONLY ESTIMATES. UNFORTUNATELY, THE ADMINISTRATORS AT KNOB NOSTER MAY BE ALL TOO FAMILIAR WITH BUDGETING WITH PROJECTIONS AND ESTIMATES. SINCE THE EARLY 1980s, THEY HAVE HAD TO FACE THE UNCERTAINTY OF HOW MUCH OF THE FEDERAL GOVERNMENT'S OBLIGATED FUNDING THEY WILL RECEIVE.

IMPACT AID IS AN OBLIGATION, NOT A GIVEAWAY. SCHOOLS LIKE KNOB NOSTER AND WAYNESVILLE SHOULD NOT HAVE TO GUESS HOW MUCH FUNDING THEY WILL RECEIVE FROM THIS PROGRAM. YEAR AFTER YEAR, THESE SCHOOLS FACE A BUDGETARY SHORTFALL, MOST OF IT DUE TO A LACK OF IMPACT AID FUNDING.

MR. CHAIRMAN, THE SCHOOLS THAT I AM TALKING ABOUT HERE ARE EDUCATING THE CHILDREN OF THOSE WHO ARE SERVING OUR COUNTRY. WE HOPE THAT THESE STUDENTS WILL SOMEDAY, LIKE THEIR PARENTS, GROW TO SERVE OUR NATION -- WHETHER IN CIVILIAN OR GOVERNMENT SERVICE. THE CHILDREN OF OUR MILITARY PERSONNEL ALREADY FACE THE PROSPECT OF MOVING FROM SCHOOL TO SCHOOL. THESE STUDENTS MUST ADJUST TO NEW FRIENDS, TEACHERS AND SURROUNDINGS. MANY OF THEM ARE EDUCATIONALLY BEHIND THE REST OF THEIR AGE GROUP. THESE CHILDREN DESERVE A QUALITY EDUCATION. THE FEDERAL GOVERNMENT MUST FULFILL ITS OBLIGATION.

I COME BEFORE THIS SUBCOMMITTEE TODAY TO REQUEST FULL FUNDING FOR P.L. 81-874 AND P.L. 81-815 IN THE FY'91 APPROPRIATIONS BILL. $835 MILLION IN FY'91 WOULD GREATLY HELP THESE EDUCATORS IN THEIR QUEST FOR LITERATE AND COMPETITIVE STUDENTS. I SPEAK HERE IN BEHALF OF NOT ONLY THE KNOB NOSTER AND WAYNESVILLE SCHOOLS, BUT ALSO THE TWENTY OTHER SCHOOLS IN MY DISTRICT THAT RECEIVE IMPACT AID FUNDING.

MR. CHAIRMAN, ONCE AGAIN I THANK YOU FOR HOLDING THIS HEARING.

Mr. **Natcher**. Thank you very much, Mr. Skelton.

You have always helped us with our bill, and we appreciate it.

I want to thank you two Gentlemen for coming in at this time.

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Thursday, April 26, 1990.

## IMPACT AID

### WITNESS

### HON. WILLIAM L. DICKINSON, REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. **Natcher**. Next is Mr. Bill Dickinson, from Alabama.

Come around, Mr. Dickinson.

You have always been number one on my list.

Mr. **Dickinson**. I am still wondering which list that is.

Mr. **Natcher**. He is a friend of mine.

We will be pleased to hear from you.

Mr. **Dickinson**. Thank you.

I would like to express my sincere thanks for the opportunity to appear today in support of impact aid for fiscal year 1991. As the Chair knows, I have long been a supporter of impact aid and have testified on an annual basis before this committee many times before.

As the Chairman is well aware, my district is heavily impacted by three major military installations, Maxwell Air Force Base, Gunter Air Force Base and Fort Rucker United States Air Force Bases affect five school systems in particular.

Montgomery County, Enterprise City, Daleville City, Ozark City and Dale County. Over 70 percent of all impact aid received in my district goes to "B" category students.

For the 1989 school year, $1,700,000 was allocated for 14,412 impact students in the Second District of Alabama of which: 798 were "A" category students and 13,614 were "B" category students.

As you can see, the "B" category makes up the overwhelming majority of impacted students in my district. For 1991, the National Association of Federally Impacted Schools projects that the Impact Aid program will meet last year's funding level for all super "b" districts, and slightly raise the level for regular "b" districts.

I encourage the committee to continue its support for these school systems.

I would also like to bring a terrible disaster which occurred recently to the committee's attention. Many Members of the committee from the Southeast may be aware that Alabama suffered heavy flooding in March due to torrential rains.

In the wake of this flooding, several schools and libraries in the Second District, including the entire Elba Alabama School System, were completely destroyed. The school systems of this region needs all of the assistance they can get in this time of desperate need, as a matter of fact, Mr. Chairman, when I toured the schools in the City of Elba, there was not one school that was operable.

They were conducting classes in tents, in airport hangers, in any place they could just get out of the weather. The school systems in this region need all the assistance they can get in this time of desperate need, and impact aid will play a most important part.

Mr. Chairman, you and your subcommittee have been a great friend of the impact aid program, especially in your past funding support for "B" category students. I hope that you will continue your efforts in this regard.

As I pointed out, in addition to the usual need, we have had an unusual situation in that I have 13 counties in my district, and I think there were only three that were not seriously damaged by the floods that occurred about six weeks ago.

Some of the schools were totally wiped out. All of them, all in the impact aid area suffered damage in varying degrees.

Mr. Chairman, I would hope that we would be the beneficiaries of your benevolence in this instance now more than ever. I appreciate the opportunity to appear today.

Mr. NATCHER. Thank you, Mr. Dickinson, you have given a good statement. We appreciate it.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### SENATOR TOM DASCHLE FROM THE STATE OF SOUTH DAKOTA

Mr. NATCHER. Next is Senator Daschle.

We are pleased to have you before the committee.

You served with us in the House quite a while. Then you decided to be demoted and you went on the other side. We are glad to have you back home.

Mr. DASCHLE. Very humbling.

Mr. NATCHER. Go ahead.

Mr. DASCHLE. I represent an area heavily reliant on impact aid. I have 40 school districts in South Dakota that have received funding. Of the 40, impact aid consists of over 50 percent of the funding.

Last year these schools received about $9,000,000 in impact aid, about the same amount they received in 1987. The problems have been compounded dramatically in the last several years. Several of these impact aid schools are on Indian Reservations.

These reservations currently have unemployment at over 90 percent. We have situations where because of the serious problems with drugs, with the bilingual problems they have and many of the classes they conduct, we have problems that are being compounded today as a result of the complexities of teaching on the reservations and teaching in very rural and remote areas where even recruiting teachers becomes a real problem.

These problems have been even compounded in the last year or so. I have had the opportunity to meet in Todd County in South Dakota just recently, over 200 concerned parents showed up for this particular meeting.

I must tell you after having been at that meeting I can tell you that we are on the brink of disaster out there.

Todd County is being forced to eliminate 13 teaching positions, 11 class room aid positions, two administrative positions.

They are going to cut the supplies for teaching by more than 40 percent, increasing the rent for the district housing by about 35 percent and may have to increase local property taxes by 30 percent to cope with the problems that they are facing. Todd County is one of the nation's poorest counties.

In fact, it ranks in the lowest five counties in the country. So the unemployment problems, the difficulties in dealing with bilingual cultures in rural isolation together with the cuts they have had to endure over the last several years, all have compounded, Mr. Chairman, to bring us to a point today where the drastic actions that Todd County is taking are being replicated at least in part in other parts of the State as well.

My message is very simple, and I know you have heard it elsewhere today. That is that full funding level of $835,000,000 is critical if we are going to ensure that we don't see even greater deviation in the coming years.

We could easily see a case in South Dakota where some of these schools close their doors. I have to tell you if they do close, I don't know where they are going to go.

I don't know where the students are going to get the kind of education they are getting today. That is what we are up against.

I know you are sensitive to it. You are very concerned about this. Your leadership in the past has allowed us to face these problems successfully. I hope through your leadership we can do it this year.

I thank you.

Mr. NATCHER. Senator Daschle, it is a pleasure to have you. You served in the House with distinction and honor, and that is the way you are serving in the Senate.

[The written statement follows:]

## Testimony of
## Senator Tom Daschle
## Before the House Appropriations Subcommittee on Labor, Health and Human Services and Education

Mr. Chairman, I appreciate your giving me the opportunity to testify today on behalf of the South Dakota Impact Aid school districts. Impact Aid plays an essential role in the education of the children of South Dakota, and I want to assist your committee in any way possible as you attempt to strengthen this important federal program.

President Truman understood the obligation the federal government has to ensure that students educated on federal lands receive a quality education when he signed Public Law 81-874. Today that commitment still stands. Impact Aid (PL 81-874) recognizes that school districts have been precluded from collecting taxes because of a federal presence and provides funds to those school districts to assist in educating federally connected children.

Many of us here today have testified before your Committee at similar hearings in the past, each time reiterating the federal government's commitment to federally impacted school districts located throughout this country. We have witnessed school districts in our state struggle each year to cope with dwindling Impact Aid funding levels. Many school superintendents in my state are beginning to wonder if the federal government's commitment to the Impact Aid program is simply cloaked in rhetoric.

South Dakota relies heavily on Impact Aid funds to meet the basic educational needs of both Indian and military students. There are 40 school districts in South Dakota that receive funding under the Impact Aid program. For eleven of these schools, Impact Aid funds account for over 50 percent of their school's operating budgets and largely influences the quality of education provided to the students enrolled in these schools. Last year, these eleven schools received approximately $9 million in Impact Act funds--the same amount they received in 1987. Had Impact Aid kept pace with the rising costs of educating our students, these schools could have received an additional $2.3 million. That's a lot of money to the heavily impacted school districts in my state.

This year the President has submitted a budget request to Congress that includes funding for "B" school districts but would again "freeze" funds for heavily impacted "A" school districts. Quite honestly, I have mixed views about the President's budget request for the Impact Aid Program. After years of Congress having to restore the funds the Reagan Administration had tried to eliminate for "B"school districts, the Bush Administration's decision to include funds for "B" school districts is welcome news and is further recognition of the fact that the federal government has a commitment to the students educated in these federally impacted schools.

My optimism, however, is balanced by my concern over the Administration's decision to hold heavily impacted "A" school districts to their current level of funding. The President's budget request totally disregards the fact that these school districts are currently receiving per-student payments at below their fiscal year 1987 funding level and ignores the fact that freezing fiscal year 1991 Impact Aid funds will mean that school districts in my state, like their counterparts throughout the country, will again see their Impact Aid funds decline even further. Moreover, the President's budget request ignores the annual increases in the cost of education--per student expenditures have increased an average of seven to eight percent each of the past five years.

Recently, I had the opportunity to discuss Impact Aid funding with over 200 interested parents, faculty, and school board members of the Todd County School District during a meeting held in Mission, South Dakota. This visit was a vivid reminder of just how difficult it is for school officials and parents of students enrolled in federally impacted schools to cope with annual cutbacks in the Impact Aid program.

Todd County's experience largely typifies the mutual struggles of other heavily impacted school districts in my state. For the past several years, Todd County, which relies on Impact Aid for 55 percent of its operating budget, managed to "get by" with declining levels of Impact Aid funds by relying on limited reserve funds and State resources.

This year, however, Todd County, like other school districts in my state, are teetering on the brink of disaster. These schools cannot simply "get by" another year with insufficient Impact Aid fund. A cut or freeze in payments would seriously undermine the quality of education taught in their classrooms.

Contrary to what many believe, cutbacks in the Impact Aid Program do not simply mean that federally impacted schools will be forced to forgo purchasing "luxury" items, like new computers and classroom furniture.

Rather, consider Todd County's budget scenario for the coming school year. Todd County is being forced to eliminate thirteen teaching positions, eleven classroom aide positions, two administrative position; cut teaching supplies by 40 percent; cease purchasing new buses; sell all but one district automobile; eliminate athletic and music programs; freeze administrative salaries and increase the rent for district housing by 35 percent. In addition, county residents face a 30 percent local property tax increase. These budgetary measures not only undermine the quality of education taught in the Todd County classrooms, but also jeopardize the safety of their students.

Todd County, like many of our heavily impacted schools in South Dakota, is located in one of the nation's poorest counties. Unemployment runs rampant, approaching 90 percent, and the level of alcohol and drug abuse is staggering. Compounding the difficulties facing schools like Todd County are the unique needs of its students, many of whom have severe language delay problems associated with a bilingual culture and rural isolation and suffer from fetal alcohol syndrome.

While Todd County's situation is extreme, it is not unique. Many of South Dakota's federally impacted schools are facing similar draconian cuts that will threaten the welfare of our children. With that knowledge, I come before this Committee today to respectfully urge you to appropriate the full FY91 Impact Aid authorization level of $835 million. Now is the time to renew the commitment made by President Truman forty years ago when he signed into the Impact Aid Program into law.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

**HON. CHARLES PASHAYAN, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. PASHAYAN. Mr. Chairman, if I could leave my statement for the record. If you will note that I was here and you know I am in favor of what you are doing.

[The statement follows:]

# STATEMENT OF REPRESENTATIVE CHARLES PASHAYAN, JR., BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, COMMITTEE ON APPROPRIATIONS, APRIL 26, 1990

Mr. Chairman, Members of the Subcommittee, thank you for giving me the opportunity to be here once again to emphasize the need for continued and appropriate Federal funding for Impact Aid.

Impact Aid is designed to help to finance local school districts that educate the children of families who reside on Federal property. Such families often do not pay local residential, sales, business, or income taxes. As a consequence the "impacted" school districts suffer a shortfall in their operating revenues.

Within my Congressional district, there is a total of seventeen school districts that experience this "impact" and are eligible to receive Federal Impact Aid. Present entitlements are based on 4,364 students classified as Category "A" and Category "B." Category "A" students are those whose parents live and work on Federal property. The parents of Category "B" students only work on Federal property.

Payments made under Impact Aid often account for varying proportions of a school district's budget. Within my Congressional District, the range is considerable. At the low end, the Pioneer Union Elementary School District in Hanford received a total of $1,402 in Impact Aid payments last year, while the Central Unified School District in Lemoore received $1,938,638. The Central Unified District is adjacent to the Lemoore Naval Air Station and requires a high level of Federal support.

Impressive as these numbers are, they do not tell the whole story. Impact Aid's levels have actually decreased for the past three years, and the school districts are forced to use locally-generated money to make up the shortfall. Higher taxes can and will result from this situation, and if it shall continue the school districts will have to curtail their present level of services to students.

Considering these circumstances, I think it is vital that we maintain the highest possible level of funding for Impact Aid, not only in my District, but throughout the United States. We must assure that all elementary and secondary students receive the quality of education they deserve, and that they shall not suffer budget arbitrariness at the Federal or local level. Continued reductions in Impact Aid are sure to trigger a series of unfortunate reactions that no one wants--for when overall funding levels get cut, all students will suffer.

Again, Mr. Chairman, thank you for your time today.

Thursday, April 26, 1990.

## IMPACT AID

### WITNESS

### HON. GLENN ENGLISH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. **Natcher**. Mr. English?

Mr. **English**. Thank you for allowing me to testify on behalf of impact aid before the subcommittee today. As the U.S. Representative from a district that relies heavily on this revenue, I am keenly aware of the tremendous benefits that impact aid provides to our students in Oklahoma.

I respectfully request, Mr. Chairman, that your subcommittee recommend the impact aid be funded at its full authorization level of $835,000,000 for fiscal year 1991.

There are several points I would like to touch on this afternoon. The first is one that seems to have "3(d)1(B)," and 3 has been obscured in all the technical discussions of "e subsuper a's."

This issue is the fundamental concept of fairness. To force state and local governments to pick up the tab for revenue lost because of federal activity is wrong. We owe it to our children to provide the very best education money can buy.

When, however, the Federal Government interferes with the revenues that school districts depend on to provide this education, it is the Federal Government's obligation to fill in the gaps.

Our federally impacted children simply should not have a "bargain basement" education forced on them. If revenue is reduced, school districts must respond by cutting back services to children or increasing the tax burden on other residents. In spite of the budgetary constraints we are all struggling with, to saddle state and local governments with this burden is unconscionable.

Another point I would like to stress is that in spite of all the computerized printouts detailing "Average Daily Attendance" and dollars and cents that go to our school districts, what we are really talking about here are children, children who have very special needs. Those with parents in the military are often children of enlisted men and women whose resources are extremely limited.

Federally and militarily impacted children are often on free and reduced lunch, enrolled in special education classes, may be behind in reading, and may be in need of special guidance services. Obviously these are students that require additional attention, and additional dollars.

When a child's ability to learn is or may be hampered by his parents' involvement with the Federal Government, we on the federal level have an additional responsibility to see that his needs are met.

An additional concern I have is that my home State of Oklahoma has 59 Section 2 school districts, the largest number of districts in the country. President Bush has recommended Section 2 be level-funded at $15,300,000.

The Administration has admitted in correspondence to the Hill that needs for Section 2 actually exceed $22,000,000. It is up to us in the Congress to take responsibility and ensure that funding is commensurate with need.

In closing, Mr. Chairman, I would like to again express my unequivocal support for the impact aid program. I thank you for the time you have allowed me, and truly appreciate your commitment to our federally impacted schools.

Please consider our children and the difference impact aid funding will make in their education. Full funding of the impact aid program is the only fair thing to do.

Thank you, Mr. Chairman.

[The information follows:]

TESTIMONY OF

THE HONORABLE GLENN ENGLISH
Member of Congress

before the
House Committee on Appropriations
Subcommittee on Labor, Health and Human Services, and Education

April 26, 1990

Mr Chairman, I thank you for allowing me to testify on behalf of Impact Aid before your subcommittee today. As a United States Representative whose district relies heavily on this revenue, I am keenly aware of the tremendous benefits Impact Aid provides to our students in Oklahoma. I respectfully request, Mr. Chairman, that your subcommittee recommend that Impact Aid be funded at its full authorization level of $835 million for FY '91.

There are several points I'd like to touch on this afternoon. The first is one that seems to have been obscured in all the technical discussions of "3(d)2(B)" and "sub-super a's" This issue is the fundamental concept of fairness. To force state and local governments to pick up the tab for revenue lost because of federal activity is wrong. We owe it to our children to provide the very best education money can buy. When, however, the Federal government interferes with the revenues that school districts depend on to provide this education, it is the Federal government's obligation to fill in the gaps. Our federally impacted children simply should not have a "bargain basement" education forced on them. If revenue is reduced, school districts must respond by cutting back services to children or increasing the tax burden on other residents. In spite of the budgetary constraints we're all struggling with, to saddle state and local governments with this burden is unconscionable.

Another point I'd like to stress is that in spite of all the computerized print-outs detailing "Average Daily Attendance" and dollars and cents that go to our school districts, what we're really talking about here are children, children who have very special needs. Those with parents in the military are often children of enlisted men and women whose resources are extremely limited. Federally and militarily impacted children are often on free and reduced lunch, enrolled in special education classes, behind in reading, and in need of special guidance services. Obviously these are students that require additional attention, and additional dollars. When a child's ability to learn is hampered by his parents' involvement with the federal government, we on the federal level have an additional responsibility to see that his needs are met.

President Bush has proposed spending $646 million on our federally impacted children. This sum is almost $200 million under the FY '91 authorization level, and about $86 million less than FY '90 appropriations. Cuts of this size are unwarranted and unjustifiable, and would deal a near-fatal blow to many school districts. At Boone County schools in my district, for example, almost 90% of enrolled students are federally impacted.

The Administration has also requested that funding for all B's, with the exception of low-rent housing students, be eliminated. This would slash the B budget from $124 million in FY '90 to $25 million in FY '91. There are 18 super B districts that surround the military installations in Oklahoma. The average per pupil revenue of these 18 districts combined is $130 less than the state average in Oklahoma. If B funding were eliminated, these super B districts would receive $185 per student below the state average. These numbers almost certainly translate into reduced services to our children. Also, current law mandates that super B districts cannot receive total super B funding above the level they received in FY '87. This provision will have a severe impact on some super B districts in my state. The addition of the Navy E-6 wing at Tinker Air Force Base, for example, will result in a tremendous increase in enrollment at surrounding school districts. If the President's plans are enacted, these 7 super B districts will not see an increase in funding, even though they must school a greater number of students. An additional consideration concerning B students is that because of the closing or down-scaling of bases at home and abroad, the number of B students is likely to rise dramatically. I would like to urge, Mr. Chairman, that your committee recommend removal of the cap on super B districts.

An additional concern I have is that my home state of Oklahoma has 59 Section 2 school districts, the largest number of districts in the country. President Bush has recommended that Section 2 be level-funded at $15.3 million. The Administration has admitted in correspondence to the Hill that needs for Section 2 actually exceed $22 million. It is up to us in the Congress to take responsibility and ensure that funding is commensurate with need.

In closing, Mr. Chairman, I would like to again express my unequivocal support for the Impact Aid program. I thank you for the time you've allowed me, and truly appreciate your commitment to our federally impacted schools. Please consider our children and the difference Impact Aid funding will make in their education. Full funding of the Impact Aid program is the only fair thing to do.

Thank you, Mr. Chairman.

Thursday, April 26, 1990.

# IMPACT AID

## WITNESS

### HON. JIM McCRERY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. Natcher. Next is Mr. Jim McCrery.

Mr. McCrery. With your permission, I will briefly summarize my prepared statement and ask it will be included in the record.

Mr. Natcher. In its entirety.

Mr. McCrery. Briefly, Mr. Chairman, as you know, funding for Impact Aid has not been sufficient to fully fund the formula derived a few years ago. As a result of that, one of my parishes in Louisiana in which 42 percent of the children in that parish has lost Impact Aid on the order of half a million dollars. The school district has tried to make up the difference with local funds.

In fact, every local subdivision in that school district within the past few years has passed a bond issue, most of them up to the maximum level allowed by law. They are trying to do their part, Mr. Chairman, to make up the difference. But, I hope that you and your committee will make every effort to fully fund the authorized level to give full funding in the formula. That would be a tremendous help to the districts in my state which depend heavily on that.

Thank you, Mr. Chairman.

[The information follows:]

# TESTIMONY

# OF

# THE HONORABLE JIM McCRERY

# 4TH DISTRICT OF LOUISIANA

STATEMENT ON THE FEDERAL IMPACT AID PROGRAM, GIVEN BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, AND EDUCATION OF THE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN

April 26, 1990

Mr. Chairman:

Thank you for allowing me to present testimony in support of the Impact Aid program and, specifically, on the importance of this program to my Congressional district in Louisiana.

The federal government operates three active duty military installations in my district. They are Fort Polk, Barksdale Air Force Base and the Louisiana Army Ammunition Plant. My constituents are proud of the military presence in the Fourth District. We are especially proud of the important role both Fort Polk and Barksdale Air Force Base recently played in the success of Operation Just Cause in Panama. I would like to emphasize, Mr. Chairman, the excellent relationship my constituents enjoy with each military facility and their commitment to continue that relationship.

The military's presence in the Fourth District has been wholly positive. There are four parishes in my district directly impacted by the military, two of them very heavily. The impact of Fort Polk in Vernon Parish is especially evident. In fact, employing over 15,000 soldiers and civilians, Fort Polk remains the major employer in Vernon parish. Approximately 25% of the land in Vernon parish is owned by the military. This is of special significance, as you know Mr. Chairman, because the Vernon parish school district collects no taxes on this property.

The Vernon parish school district budget for the current year is $27,221,000. With an average daily attendance of 11,188, the per pupil expenditure is $2,433. The Impact Aid payment for "a" children funded at 95% of the FY'87 per pupil rate came to $1,418 per student, for a negative difference of $1,019. As you know Mr. Chairman, the taxpayers of Vernon parish are left to pay the difference.

I would like to stress, Mr. Chairman, the taxpayers of Vernon parish have been extremely cooperative in paying their fair share for educating the children in Vernon parish. In fact, within the past five years, each political subdivision of the school district has passed a bond issue, most at the maximum permitted level for the needs of the local school system.

I would also like to point out for your subcommittee Mr. Chairman, that the taxpayers in the Vernon parish school district are not asking for anything unreasonable. Fully 42% of the children attending school in Vernon parish are federally connected, and 22% are "a" children, whose parents make no contribution to the local property tax base.

In addition, there are approximately 500 military dependent students residing in homes in two subdivisions known as Sycamore Point and Timber Ridge. Many of these students only recently moved there from mobile homes located on-post, where they were considered "a" students, to the more desirable houses in the two contracted housing areas, where they are now considered "b" students. These students attend the same schools and receive the same services while residing in Sycamore Point or Timber Ridge as they did while residing on-post.

Both housing areas are located less than one-quarter of a mile from the property line of Fort Polk. The only sales tax revenue generated by the families who reside in Sycamore Point and Timber Ridge is for local purchases primarily at convenience stores. The post commissary and exchange are closer to the housing areas than other off-post shopping centers.

Should the military dependent students residing in Sycamore Point and Timber Ridge be considered "a" students, the Vernon parish school district would be entitled to $661,220. As "b" students, though, the entitlement for educating the children is only $22,500, a difference $638,720. Bossier parish, which is home to Barksdale Air Force Base and the 8th Air Force 2nd Bombardment Wing, has encountered similar financial problems with "b" students.

The Vernon parish school district received $4,179,205 in Impact Aid money in 1988. In 1989, their payment was $3,685,776, for a difference of $493,429. As you are aware, Mr. Chairman, the cost of educating a child in 1989 did not decrease. The sudden drop in Impact Aid money in 1989 was devastating to the school district and the children it serves.

Although my constituents welcome and appreciate the military in the Fourth District, they depend on the federal government meeting its responsibility in helping to educate military dependent children. We simply cannot shirk this responsibility and expect local school districts to operate on a "yo-yo" budget, uncertain if the federal government will pay its fair share. As you know, Impact Aid has not been fully funded in recent years, partially causing this "yo-yo" effect.

In summary, Mr. Chairman, I strongly urge your subcommittee to see that the federal government meets its responsibility by fully funding the Impact Aid program. The taxpayers in my district have paid their fair share. As it stands now, without adequate funding, Vernon parish schools are facing staff cuts, decreased staff salaries and program elimination. This will severely curtail the quality of education for the children of local residents and the children of military parents who so selflessly serve to protect this country.

Thank you again, Mr. Chairman, for this opportunity to express my support for the Impact Aid program.

Mr. Natcher. Thank you very much. We appreciate your appearance before the committee.

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Thursday, April 26, 1990.

## IMPACT AID

### WITNESS

### HON. SAM GEJDENSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Mr. Natcher. Our next witness from the State of Connecticut, Mr. Sam Gejdenson. We will be pleased to hear from you at this time.

Mr. Gejdenson. If there was a motion for sainthood on the Floor, you probably ought to get it for listening to these statements every year. We know that you are committed. We appreciate the time you put into this. I would just like to add a couple of things and will submit for the record a more extensive statement.

I guess the only points that I would like to raise are these. The communities in my district are adding additional dollars every year far and beyond their ability. What we are doing here is we are really attacking not just children, but children who will go on to make the backbone of the American defense system in my district.

These young children who are the children of parents already in the military make up the highest percentage of those who join again. The disadvantage they face by being forced to move from district to district as their tour of duty brings them throughout the United States and overseas, we ought to give them the very best education and not a marginal education.

I, as the others, would applaud you for all you have done and implore you to help us do more for these people that are so worthy.

Thank you very much for your time.

Mr. Natcher. Thank you. You have given us an excellent statement. We want to let you know we appreciate it.

[The written statement follows:]

# STATEMENT OF CONGRESSMAN SAM GEJDENSON
BEFORE THE APPROPRIATIONS SUBCOMMITTEE
ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION
APRIL 26, 1990

MR. CHAIRMAN:

THANK YOU FOR THE OPPORTUNITY TO TESTIFY BEFORE YOUR SUBCOMMITTEE TODAY REGARDING FEDERAL IMPACT AID. I APPRECIATE YOUR COMMITMENT TO HOLDING FULL HEARINGS ON THIS VITAL PROGRAM.

I REPRESENT NINE COMMUNITIES IN SOUTHEAST CONNECTICUT WHICH ARE ELIGIBLE FOR IMPACT AID. LAST YEAR THESE COMMUNITIES COLLECTIVELY FACED AN IMPACT AID DEFICIT OF ALMOST $4 MILLION, WHICH WAS MADE UP BY LOCAL TAXPAYERS.

OVER THE PAST TEN YEARS THE FEDERAL GOVERNMENT HAS SHIFTED THE TAX BURDEN TOWARD STATE AND LOCAL GOVERNMENTS, AND COMPOUNDED THAT SITUATION BY REDUCING PAYMENT OF OUR OBLIGATIONS TO COMMUNITIES FOR SERVICES THEY PROVIDE, SUCH AS EDUCATING THE CHILDREN OF MILITARY PERSONNEL.

LAST YEAR, CONGRESS AUTHORIZED IMPACT AID AT 7% BELOW THE FULL FUNDING LEVEL OF $785 MILLION. THIS YEAR,THE BUSH ADMINISTRATION HAS REQUESTED IMPACT AID AUTHORIZATION AT 20% BELOW THE FULL FUNDING LEVEL OF $835 MILLION. THIS SHORTFALL AFFECTS ALL THE CHILDREN IN A COMMUNITY, BECAUSE IT PROVIDES REIMBURSEMENT FOR THE BASIC EDUCATIONAL SERVICES WHICH FORM THE CORNERSTONE OF OUR SYSTEM OF UNIVERSAL EDUCATION. CLEARLY, IT IS UP TO CONGRESS TO PROVIDE ADEQUATE FUNDING FOR THE EDUCATION OF OUR NATION'S CHILDREN IN FEDERALLY IMPACTED SCHOOL DISTRICTS.

GROTON, CONNECTICUT IS THE MOST HEAVILY IMPACTED TOWN IN MY DISTRICT. IT IS HOME TO THE NAVAL NUCLEAR SUBMARINE BASE. GROTON IS A "SUPER A" DISTRICT, WITH ALMOST 40% OF ITS STUDENT POPULATION MADE UP OF FEDERAL "A" STUDENTS, AND AN ADDITIONAL 7% ARE FEDERAL "B" STUDENTS. IT IS A FACT OF MILITARY LIFE THAT FAMILIES UNDERGO FREQUENT TRANSFERS. LET ME TELL YOU A LITTLE ABOUT THE FINE PROGRAM WHICH GROTON PROVIDES THESE STUDENTS.

THE GROTON PUBLIC SCHOOLS SET A HIGH STANDARD FOR HELPING CHILDREN TO FEEL AT HOME IN THE SCHOOL SYSTEM BY PAYING SPECIAL ATTENTION TO PLACING EACH CHILD AT THE APPROPRIATE LEVEL IN READING AND MATH. THIS IS OF VITAL IMPORTANCE IN SCHOOLS WHERE MILITARY TRANSFERES GENERATE VIRTUALLY 100% TURNOVER IN THE STUDENT POPULATION DURING THE SCHOOL YEAR. GROTON'S DEDICATED EDUCATORS ALSO OFFER SPECIALIZED ASSISTANCE TO CHILDREN WHO MAY HAVE MISSED IMPORTANT SECTIONS OF CURRICULUM BECAUSE MILITARY FAMILIES' VACATIONS ARE DICTATED BY SCHEDULED LEAVES, NOT THE SCHOOL CALENDAR. AND YET THIS YEAR, FEDERAL REIMBURSEMENT FOR THESE IMPORTANT SERVICES WILL PROVIDE GROTON WITH 5% FEWER DOLLARS TO ASSIST 10% MORE CHILDREN.

WE OWE A SPECIAL DEBT TO COMMUNITIES LIKE GROTON WHICH NOT ONLY WELCOME THE DIVERSITY THEIR MILITARY NEIGHBORS BRING, BUT ALSO TAKE SPECIAL STEPS TO PROVIDE FOR THE NEEDS OF THE CHILDREN. THE VERY LEAST WE CAN DO IS PROVIDE THOSE COMMUNITIES WITH THE FULL REIMBURSEMENT WE HAVE PROMISED IN PUBLIC LAW 81-874. I URGE THE SUBCOMMITTEE TO PROVIDE FULL FUNDING FOR IMPACT AID.

THANK YOU, MR. CHAIRMAN.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. MEL HANCOCK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. NATCHER. Our next witness is Mr. Mel Hancock. It is a pleasure to have you before the committee.

Mr. HANCOCK. Thank you, Mr. Chairman. I appreciate the opportunity to testify before you today on this most important issue.

I join with my colleagues from Missouri and other states with impacted school districts to encourage this committee to provide adequate funding under Public Law 81–874 for school districts impacted by Federal activities. I have four impacted school districts in my congressional district, three of which are impacted under Section 2 of the program, with all students falling within the "B" category. While preparing this testimony I talked with educators and citizens from the affected areas and was shocked to hear how dire their situation is.

Let me tell you about one district which is on the verge of shutting down because of a lack of Federal support. Bradleyville R–1 is located in the heart of the Mark Twain National Forest in a low income, rural area of Southwest Missouri. About half of the district's 88,000 acres is Federally owned, preserved forest land.

But according to a stipulation of the law, only 15,625 acres qualify for funding because the other Federally owned acreage was purchased prior to 1938.

In fiscal year 1980–1981, Bradleyville district received about $30,000 in aid from this program. However, the last income from the Federal Impact Aid program was $14,788 in 1985, which the Division of Impact Aid claimed was $10,727 more than the district was due. For the past five years Bradleyville has been paying for what Federal impact aid officials say they did not deserve. So, in essence, they have received no money from this program in the past half decade even though half of their district is owned by the Federal Government.

Even though every teacher in that district has been making the same salary since 1985, in fiscal year 1989 the district received a mere $439 out of an authorized entitlement of $4,882. This meager receipt will undoubtedly go toward paying off the discrepancy of 1985. Although three and four digit numbers do not mean much in Congress, they can have a great impact in this depressed area.

The State has issued advisements to the district for the past two years because they cannot afford to pay their teachers recognized state minimum salaries.

The difference between district paid salaries and the state minimum totals nearly $80,000. There is no relief in sight and alternatives such as merging with other districts are not feasible due to the remote locations of their schools.

Perhaps if this district was not impacted and had the 44,000 acres of Federal land on its tax rolls it would not be in such a predicament. Or, if the Federal Government would stand true to its commitment to adequately support these school districts, these problems might not occur.

To a lesser extent, Hollister R–5, Reeds Spring R-4, and Springfield R–12 suffer from funding shortfalls as well; as do the districts represented by other Members here today. The Federal Government has taken land that could have generated revenue for a locality, which in turn would support a school system. It must now assume responsibility to assure against adverse impact from its actions.

Mr. Chairman, this subcommittee has the power to insure that the Federal Government's commitment to education will be carried out. Adequate funding of Impact Aid is a necessity to carry out our government's obligation to impacted school districts. I urge this committee to provide such funds.

Thank you again for your time, Mr. Chairman.

I received earlier today a statement from the United States Department of Education asking for this school district specifically to make payment of $5148.35 back to the Department because of the problem that they created in 1985. Thank you very much, Mr. Chairman.

Mr. NATCHER. Thank you, Mr. Hancock. You have given us an excellent statement, and we appreciate your appearance.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. SID MORRISON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. NATCHER. Our next witness is Mr. Sid Morrison.

Come around, Mr. Morrison, from the Fourth District of Washington. We are glad to have you before the committee at this time.

Mr. MORRISON. I am with two school superintendents that represent adequately the 32 school districts in my congressional district that rely so much on the work of this subcommittee.

Let me start by saying in spite of the excellent efforts of you and Mr. Conte and members of your subcommittee, Impact Aid has been funded well below the inflation rate, and it is almost a losing battle. We are approximately 50 percent of the entitlement level. We know you are doing the very best you can, sir. We just want to let you know, I think, from the parade of people here today that we are behind you in doing everything you possibly can to fulfill this Federal commitment.

As you know, there are two choices for districts that do not keep up with the cost of living, and that is reduce or eliminate services or burden the non-Federal share of the residents of those districts with higher taxes.

Let me just describe one of the districts, the largest in my area. It is the Wapato school district. The state funds in our state 75 percent of the total costs. The other 25 percent comes from special levies or special funding. In the case of the Wapato district 80 percent of the land is in the Yakima Indian Reservation. This means

20 percent of the people are called on to make up for any shortfall in funding. These are farmers, and their land value has gone down rather dramatically in the last couple of years out our way.

What we are asking is 20 percent of the folks to pick up 100 percent of the shortfall. It just doesn't work. This inequity that is created was intended to be corrected by Impact Aid back in 1950. We now see the erosion that has occurred.

The other superintendent with me, I will mention only the B part of the fund is vitally important. I guess I have a personal interest there, maybe as we all do, get through to us close to home. My daughter is a teacher in that district, and that B funding is vitally important to them.

Mr. Chairman, I would hope that you can utilize your leadership to help with the highest possible level in both the A and B components of Impact Aid to help make sure that these youngsters on or near Federally owned facilities are properly educated.

I would also submit Mr. Chandler's testimony for the record and want to put in a plug for support for the Rural Health Care Coalition, that I understand will be submitting testimony to you later on.

[The information follows:]

## TESTIMONY OF CONGRESSMAN SID MORRISON BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

April 26, 1990

Thank you Mr. Chairman, for this opportunity to appear before the subcommittee to discuss the Impact Aid program and the important role it plays in educating so many of our nation's school children.

In my home state of Washington, Impact Aid helps maintain the health of 112 school districts, including 32 in my Fourth Congressional District.

The disturbing trend in recent years has been to fund Impact Aid at well below the inflation rate, and consistently below authorization levels. The alarming result of this trend has been that many school districts, particularly those with large numbers of "B" students, who are eligible for federal reimbursement under the Impact Aid program are funded at less than 50% of their entitlement. In addition, the backlog of applications for construction funds alone has reached more than $700 million.

If the local education agencies do not receive adequate Impact Aid payments, they ultimately have been and will be confronted with two choices: reduce or eliminate services, or burden non-federally connected residents with higher taxes.

I'd like to spend a few moments to tell you about a pair of school districts in the Yakima Valley of Washington state that are good examples of how important Parts A and B of Impact Aid are to the health of our nation's public school system.

The Wapato School District is the largest Impact Aid recipient in my Central Washington district. While the state picks up about 75 percent of the cost of educating its students, the other 25 percent must come from special levies and/or federal funding. Because 80 percent of the property in the Wapato School District is within the Yakima Indian Nation Reservation, folks living on taxable land would have to be taxed at twice the state average to pick up the non-state portion of the tab. In other words, people who own 20 percent of the land would incur 100 percent of the tax burden. The problem is exacerbated by the fact that property values of the large amount of agricultural land surrounding Wapato have dropped tremendously, making it even more difficult for this small percentage of people to carry the load for the whole school district.

Impact Aid was established in 1950 to prevent that from happening. Impact Aid is not a hand out, it's a reimbursement for services rendered to the federal government. In Wapato, which serves about 800 Impact Aid youngsters, it means about $1.7 million million a year, or roughly 13 percent of the district's budget. Those numbers translate into the salaries of about 45 teachers and a dozen support staff.

While the Wapato School District's Impact Aid payments come almost entirely from Part A, more than one-tenth of the $699 million in annual Impact Aid payments for the nearby Toppenish, Washington, School District comes from Part B. I mention this to point out the sacrifice that certain school districts -- even those with relatively small Part B payment percentages -- would have to bear if we lessen our committment to Part B students. Toppenish could lose

$75,000 a year -- an amount equal to a little more than two full-time teachers or five teacher aides or several thousand text books.

Not all of the school districts in Central Washington has as dramatic an interest in the continued survival and prosperity of the Impact Aid program as Wapato and Toppenish, but almost all of them rely on P.L. 81-874 to some degree. Whether the students live on the Yakima or Colville Indian Reservation, or have parents who work at the Hanford Reservation in Benton County, or the U.S. Army's Yakima Firing Center in Yakima County, their schools are obligated to provide them the resources necessary to ensure a quality education.

Based on the latest available numbers, Washington state schools are estimated to be entitled to more than $60 million in Impact Aid payments in the next fiscal year, and the school districts in my part of the state figure to qualify for more than $11 million. And that, Mr. Chairman, is why I am pleased to have been given the opportunity to share my support for maintaining - at the highest possible levels - both the A and B components of the Impact Aid program.

In closing, I wish to thank you for the careful attention your subcommittee has given the Impact Aid program in the past.

Mr. NATCHER. Thank you. We are glad to have you and these two gentlemen with you. You have given us an excellent statement.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. ROY DYSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. NATCHER. Next is Mr. Roy Dyson.

Mr. DYSON. Mr. Chairman, one of our school superintendents is here today. Dr. William Burroughs happens to be from St. Mary's County, the county I live in. I have a lot of nieces and nephews over there. What this guy does is very important to me, so I want to keep an eye on him. So I will watch you and watch him at the same time.

Mr. Chairman, I have been here ten years. When I first arrived many, many years ago, I appeared before you in this committee on category B funding for Impact Aid. You were very helpful to us then. You have been helpful all the way through. I would like to say I have always voted for your budget. And I do not say this for a political reason. You do a good job. It is responsibly done. My educators just love it. They lobby me on it.

I have come here again today, like many of my colleagues, to express to you my deep concern over the administration's fiscal year 91 budget request. We are discussing more than parochial educational interests, we are discussing crucial educational initiatives that cross party lines and affect every state in the union. The president requested a $98.5 million cut in impact aid in FY 91. In fact, of the discretionary programs in the Department of Education's budget, impact aid would receive the deepest cuts.

There are few congressional districts that are home to even a single military base. My congressional district, though, Mr. Chairman, is home to four military bases in three counties. I am proud of the First District military bases. These bases contribute to the strength of our national defense, and the United States Army and the Navy enjoy popular support from Marylanders.

However, the armed services remove thousands of acres of local property from Charles, Calvert, Harford, St. Mary Counties. It depletes our tax base, making it more difficult to spend a sufficient amount of money on education. Impact Aid helps but does not cover all of what is lost in taxes. In Maryland, education costs have increased about 12 percent annually. Sadly, Impact Aid has not kept pace. Impact Aid to Maryland has been declining.

The allowance of Impact Aid per student amounts to only a small fraction of the total cost of educating a child in Maryland. In Charles County, Impact Aid represents only 2.3 percent of education costs; in Harford County, about 8 percent; and in St. Mary's County only 11 percent of total education costs. This is where Dr. Burroughs is superintendent.

School districts throughout the country are struggling to find scarce local funding simply to maintain existing programs. In my district a gradual decline in Impact Aid has had a direct result in the quality of public education.

Mr. Chairman, your subcommittee has listened patiently to a number of Members who have expressed their interest in this matter. Each of us is looking for an equitable solution to the annual struggle we face with Impact Aid. I think the essential question is who should bear the responsibility for providing these necessary funds?

To this end, I would recommend the Secretary of Defense and the Department of Education come to terms with the inequities involved in funding this program by assuming the direct responsibility funding the Impact Aid programs in those areas affected by military installations. Continued funding of this program is the preferable solution and it would go a long way in assisting the Department of Defense in maintaining its commitment to both the members of the armed services and to the communities of which it is a part.

I believe in an era of tight budgets, you must ensure every penny of our taxpayers' money is carefully spent. Mr. Chairman, I assure you that every penny of Impact Aid in the First District of Maryland and throughout the nation goes to a worthwhile cause.

For the children of the first district, impact aid means smaller classes, less burdened teachers, and safer school grounds. Impact aid means writing teachers, speech therapists, nurses, and counselors.

Impact aid is a crucial component of our efforts to educate a new generation . . . a generation capable, confident and prepared to meet the challenges of the approaching millenium.

I strongly urge the subcommittee to fund impact aid in fiscal year 91 at the highest possible amount and not at the administration's requested level.

I want to thank the subcommittee again for the privilege of testifying today. I look forward to working with you when your bill is brought to the floor of the House.

Mr. NATCHER. Mr. Dyson, we want to thank you for an excellent statement. We are glad to have you with us. Thank you.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. TIM JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA

Mr. NATCHER. Next, Mr. Tim Johnson. We are glad to have you before the committee. We will be glad to hear from you.

Mr. JOHNSON. Thank you. I have Mr. Arnold Wohl and Larry Thacker, two leaders for quality education in South Dakota and well-versed on the crisis in Impact Aid, with me.

I want to say this afternoon that I thank you for the opportunity to testify on behalf of Impact Aid. I especially want to thank you and the subcommittee for the support you have shown the program in the past. Your efforts have been crucial to this program.

Impact Aid is the lifeblood for school districts all across South Dakota. I represent an entire State. We have 39 Federally impacted school districts, including 11 districts that are 50 percent or more impacted. Many of these districts are impacted because of Federal Indian reservations while 76 percent of the Douglas school district is impacted due to Ellsworth Air Force Base. Without adequate funding for Impact Aid, many of these districts will be placed in a perilous position.

Many in our districts are feeling the crunch. The Todd County school district faces serious financial problems this year because of underfunding of Impact Aid. The school district has already cut back over the past few years, but this year the district was close to making drastic cuts including teachers, teachers' aides, extracurricular activities, and other school programs until the state managed to come up with additional funding. Other districts will face similar cuts and possible school closures unless whole funding is made available.

Many of the children who have written to me, to go along with the letters that I get from schoolteachers and administrators, come from at-risk situations. Problems on the reservations are well documented, including poverty, high unemployment, high teenage pregnancy rates and poor nutrition. Education is an essential part of the answer to escaping these problems. It would be a crime if we neglect our responsibility in this matter.

Mr. Chairman, I recognize the dilemma you face in making very difficult budget decisions. I agree that we need to work together to reduce the budget deficit. But I don't believe it should come at the expense of our nation's children. We need to put our priorities in order and invest in our future. That means investing in education.

I want to say that I strongly urge the committee to increase funding for Impact Aid, including for categories A and B as well as Section 3(d)2(B). I am hopeful that Impact Aid will receive as much of its full authorization of $835,000,000 as possible.

I would like to submit my statement for the record, full statement, Mr. Chairman, and again thank you for the past leadership you have shown in this critical area and to offer our help and best wishes in doing the best possible in the budget for Impact Aid in the future.

Thank you, Mr. Chairman.

[The information follows:]

# STATEMENT BY

# THE HONORABLE TIM JOHNSON

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SUBMITTED TO

THE APPROPRIATIONS SUBCOMMITTEE ON LABOR,
HEALTH AND HUMAN SERVICES AND EDUCATION

THE HONORABLE WLLIAM H. NATCHER, CHAIRMAN

APRIL 26, 1989

Mr. Chairman, I want to start this afternoon by thanking you for this opportunity to testify on behalf of Impact Aid, and I especially want to thank you and the Subcommittee for the support you have shown this program in the past. Your efforts have been crucial to this program.

Mr. Chairman, you have had to sit here all afternoon listening to members expressing their strong support for Impact Aid. The number of members that have been here today speaks volumes for the importance of Impact Aid funding and the importance of education. Since you have already heard from so many members, I will be brief. However, I want to stress the importance of Impact Aid to South Dakota, and I would request that the Subcommittee do everything possible to increase funding for Impact Aid so that the program receives as much of its full authorization of $835 million for Fiscal Year 1991 as possible.

Impact Aid is the lifeblood for school districts across South Dakota. I represent the entire state, and we have 39 federally impacted school districts, including 11 districts that are 50% or more impacted. Many of these districts are impacted because of federal Indian reservations, while 76% of the Douglas School district is impacted due to Ellsworth Air Force Base. Without adequate funding for Impact Aid, many of these districts will be placed in an extremely perilous position.

Many of our districts are already feeling the crunch. The Todd County School District, which is on the Rosebud Indian Reservation, faced serious financial problems this year because of underfunding of Impact Aid. The School District has already had to cut back over the past few years, but this year the district was close to making drastic cuts, including teachers, teacher's aides, extracurricular activities and other school programs until the state managed to come up with additional funding. Other districts in South Dakota and across the nation will soon face similar draconian cuts and possibly even school closures unless full funding is made available.

I have heard from school Superintendents, teachers and students from across South Dakota who are worried about the future of their schools. They are pleading with me for help and asking me to do all that I can to keep their schools open. Many of the children who have written to me come from at-risk situations. Problems on the Reservations are well documented, including poverty, high unemployment, high incidences of alcohol and drug abuse, high teenage pregnancy rates and poor nutrition. Education is an essential part of the answer in addressing these issues, and it would be a crime if we neglect our responsibility in this matter.

Mr. Chairman, I recognize the dilemmas you face in making very difficult budget decisions. I agree that we need to work together to reduce the budget deficit, but I do not believe that it should come at the expense of our nation's children. We need to put our priorities in order and invest in our future--which means investing in education.

I strongly urge the Subcommittee to increase funding for Impact Aid, including for categories A and B as well as Section 3(d)2(B). I am hopeful that Impact Aid will receive as much of its full authorization of $835 million as possible.

Thank you again Mr. Chairman for your past support and for your consideration of my request.

Mr. **Natcher**. Mr. Johnson, thank you very much. You have given us an excellent statement. We are delighted to have these two gentlemen with you.

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Thursday, April 26, 1990.

## IMPACT AID

### WITNESS

### HON. MARTIN LANCASTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. **Natcher**. Next is Mr. Martin Lancaster. Come around. We are glad to have you with us.

Mr. **Lancaster**. With your permission I will submit my full statement for the record and be brief in my comments here.

I do sincerely appreciate the attention you have given to this issue through the years. Despite the erosion of funds as they pass from entitlement through the network of formulas, no Federal funding program in my district and in my opinion in the nation has a better track record than Impact Aid funding under Public Law 874 in terms of freedom from scandal, cost-effective use, effective control by local government and flexibility. It makes no sense to tamper with a machine that works.

Federal Impact Aid to schools is absolutely the last place we should be looking for fat to cut. In view of our stated concern with raising our educational level to meet our competitors and our President's calling himself the Education President, we should be spending more, not less, on education.

I would conclude briefly by saying the need for Federal Impact Aid is greater than ever, and the obligation to the local districts which educate Federally connected children is still binding. The program has no crippling layers of bureaucracy. It has low delivery cost and it goes directly to the need of, it goes directly to the need by going directly to the school district. It is untainted by scandal and free of public criticism.

The difference between entitlement and actual funding is unrealistic and probably wasteful. It gives the appearance that Congress is adequately funding education and slashing funds at the same time. We do appreciate your consideration of funding at at least the highest level possible under existing restraints.

Thank you, Mr. Chairman.

Mr. **Natcher**. We appreciate your statement.

[The information follows:]

# CONGRESSMAN H. MARTIN LANCASTER

Testimony on funding of Public Law 874

Subcommittee on Labor - Health and Human Services - Education

April 26, 1990

Mr. Chairman, we see changes each year in the formula for funding Public Law 874, and actual receipts for individual school districts in my congressional district, the North Carolina Third, have diminished over the years. The program was set up to compensate local school districts for the removal of the federal installations from the local property tax base, which puts pressure on local school systems to educate the children of the military and federal employees on the installation. Impact aid has been beset with complicated schemes for determining the amount of money per student the school district will receive. Lancaster's Law applies to both taxes and Impact Aid funding: the more complicated the formula, the more the taxpayer pays and the less the education program receives.

The 1989 entitlement for the impacted school districts in my district is more than $7.5 million. One would hope that the entitlement is formulated by intelligent and prudent people based on need and equity. The amount of impact funds paid in my district in 1989 was just under $2.2 million - $5.3 million less than the entitlement. We are talking about funding education here not frills and extras; not Buck Rogers weapons; not subsidies for the wealthy; not pork barrel projects. We are now addressing our nation's most critical problem.

One thing that has not diminished is the dependence of three school systems in my district on PL 874 funds: The Onslow County School system, which serves the Marine Corps Base at Camp Lejeune; the Wayne County system serving the Seymour Johnson Air Force Base; and the Goldsboro city system which also serves the Air Force base and has many students in non-taxable federally-subsidized housing.

Onslow County, with a student population of 17,978, has 7,618 federally-connected students. Six thousand of these are military dependents; 1,300 are dependents of civilian workers. Virtually all are "B's". Wayne County has a student population of 13,507 with 1,226 A's and 820 B's. The Goldsboro city school system has 4,600, practically all of them B's. There are another 1,746 "B" students in four other public school systems in my district.

Despite the erosion of funds as they pass from entitlement through the network of formulas, no federal funding program in my district - and, in my opinion, in the nation - has a better track record than impact aid funding under Public Law 874 in terms of freedom from scandal, cost-effective use, effective control by local government and flexibility. It makes no sense to tamper endlessly with a machine that works. Federal impact aid to schools is absolutely the last place we should be looking for fat to cut, and in view of our stated concern with raising our educational level to meet our competitors and our Presidents self-styled sobriquet as the "education President", we should be thinking of spending more, not less, on the best of our federal support efforts for education.

Mr. Chairman and members of the committee, I thank you sincerely for allowing me to testify here today, and I know you will do what is best for education and our nation. Let me conlude with a brief summary.

o The need for federal impact aid is greater than ever, and the obligation to the local districts which educate federally - connected children is still binding.

o The program has no crippling layers of bureaucracy, it has low delivery cost, and it goes directly to the need by going directly to the school district.

o It is untained by scandal and free of public criticism.

o The differential between entitlement and actual funding is unrealistic, deceptive and probably wasteful. It gives the appearance that congress is adequately funding education and slashing funding at the same time. There's been quite enough of that.

My thanks again Mr. Chairman. I would like to go on record as being in support of the position of the National Association of Federally Impacted Schools on federal impact aid funding.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. EDWARD R. MADIGAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. NATCHER. Our next witness is Mr. Madigan of Illinois.

Mr. MADIGAN. As always, I thank you for the opportunity to appear before you this afternoon. I am here to testify on behalf of the Impact Aid program, a program which since 1987, unfortunately, has been underfunded, but a program which I feel now must receive careful attention in light of the upcoming military base closures.

As you may be aware, Mr. Chairman, Chanute Air Force Base is located in my district. Currently, the base covers 2125 acres of the small village of Rantoul, Illinois, and employs 39 percent of Rantoul's total population, 8000. In the Rantoul school district alone, Federally connected students comprise 58 percent of the student body.

Although this is substantially more than half of the student population, only 24 percent of the school district's budget is funded through Impact Aid. In 1989, the city school district received only 55 percent of its Impact Aid entitlement, and the high school received only 26 percent of its aid entitlement.

Chanute Air Force Base is scheduled to close in 1992. Just as the presence of Federally connected children imposes unique financial conditions on a school system, so too, does their departure. Among the 13 school districts affected by the base closure, 39 percent of its students will be lost, as will $1,700,000 in Federal income and $3,600,000 in state income, which is based on average daily attendance.

By coincidence, the percentage of teachers that must be released is 65 percent in the elementary schools and 43 percent in the high schools.

In Illinois, school districts are required to make employment termination decisions in March of each year. Even with the best coordination between the district and the Air Force it is unreasonable to believe that the exact number of needed teachers can be predicted in time to meet this spring deadline.

There are a number of academic programs which are currently enrolled at a minimum level. In several cases, such as language courses, these are four-year programs that should be maintained for the local students who stay in the area.

The school districts will also be required to adjust their physical plant. Rantoul City Schools will be forced to close four of its six schools resulting in substantial "mothballing" costs, and the high school may be forced to close its west wing building which currently houses the school's only biology laboratories.

Additional "downsizing" costs include such things as upholding current long term financial commitments without the benefit of impact aid monies which were available at the time the commitments were made.

Mr. Chairman, as you know, the Impact Aid program provides funds for the transitional costs associated with the base closure. But, as you also know, until recently the prevailing interpretation of the Impact Aid law was that school districts would receive 90 percent of the preceding year's payment for the three years following a decrease in Federal activity.

The Department of Education, however, has recently interpreted the statutory language differently. They have concluded that school districts are entitled only to "B" payments for the departed students even though they may have been classified as "A" children.

This interpretive difference will be devastating—especially in light of the persistent pattern of underfunding for category B. Without adequate cessation funds, school districts will be forced to terminate teachers prematurely, eliminate successful curricular programs, and close buildings without consideration to their preservation for future use.

Undoubtedly, the debate about the law's interpretation will continue, but I urge you, Mr. Chairman and members of the subcommittee, to fund the Impact Aid program to the maximum extent possible. Both categories A and B payments deserve to be maintained, but, in light of B's newly acquired significance, I urge that special consideration be given to substantial unrestricted funding increases for this second category. The local taxpayer has been generous in the past, but they will not be able to subsidize the costs of a Federally initiated reduction without lowering the quality of education for their own children.

Thank you, Mr. Chairman.

Mr. NATCHER. Thank you, Mr. Madigan.

[The information follows:]

# TESTIMONY

# OF

# THE HONORABLE EDWARD R. MADIGAN

# 15TH DISTRICT OF ILLINOIS

STATEMENT ON THE FEDERAL IMPACT AID PROGRAM, GIVEN BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, AND EDUCATION OF THE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN

April 26, 1990

Mr. Chairman and distinguished members of the subcommittee:

I thank you for the opportunity to testify on behalf of the Impact Aid program; a program which, since 1987, has been consistently underfunded, but a program which now must receive careful attention in light of upcoming military base closures.

As you may be aware, Mr. Chairman, Chanute Air Force Base is located in my district. Chanute has been one of five Air Training Command Technical Training Centers providing specialized training for officers, airmen, and civilians of various Department of Defense agencies. Currently, the base covers 2,125 acres of the small village of Rantoul, IL and employs 39% of Rantoul's total population (8,000). Although, the community of Rantoul cannot collect property taxes for the 2,125 acres of federal property, the children of the 8,000 federally employed people enjoy the benefit of the educational programs offered by the area school districts. In the Rantoul city school district alone, federally connected students comprise 58% of the student body.

Although this is substantially more than half of the student population, only 24% of the school district's budget is funded through Impact Aid. In 1989, the city school district received only 55% of its impact aid entitlement, and, worse yet, the high school received only 26% of its aid entitlement. Clearly, the federal government has reneged on its commitment to educate the children who are living in my district at the federal government's behest and whose parents make little or no contribution to the local tax base.

This funding shortfall leaves the local and state taxpayers to shoulder the financial responsibility for educating our federally connected children. These taxpayers have strived admirably to provide a fine educational program, but this is a responsibility which is unduly theirs and properly belongs to the federal government.

Now, these same taxpayers face another, larger federally imposed burden. Chanute Air Force Base is scheduled to close in 1992. Just as the presence of federally connected children imposes unique financial conditions on a school system, so, too, does their departure. As students and their families leave the area, schools will be faced with difficult decisions, untimely and little information on which to base those decisions, and few resources to follow-through on the conclusions they must inevitably draw. Among the 13 school districts affected by the base closure, 39 percent of its students will be lost, as will $1.7 million in federal income and $3.6 million in state income.

Elementary school enrollment will drastically decline with a loss of 65 percent of its students. The high school will lose 43 percent of its students. By coincidence, the percentage of teachers that must be released is 65 percent in the elementary schools and 43 percent in the high schools. Unemployment costs for the Rantoul Township High School alone will reach $75,000.

Moreover, in Illinois, school districts are required to make employment termination decisions in March of each year. Even with the best coordination between the district and the Air Force it is unreasonable to believe that the exact number of needed teachers can be predicted in time to meet this spring deadline. The school districts will need flexibility in order to make prudent predictions which will ensure sufficient teaching personnel for the remaining schoolchildren. Allowing for a 5% staffing flexibility, the Rantoul high school could incur up to $198,000 in salary expenses.

Difficult curricular decisions must also be made. There are a number of academic programs which are currently enrolled at a minimum level. When these individual programs receive a substantial enrollment decline, there may be inadequate funds to support them. In several cases, such as language courses, these are four-year programs that should be maintained for the local students who stay in the area. The appropriate way to drop these four-year programs is through a three-year phase out. The costs of maintaining and eventually eliminating these programs will cost $121,280 annually.

The school districts will also be required to adjust their physical plant. Rantoul City Schools will be forced to close 4 of its 6 schools resulting in substantial "mothballing" costs, and the high school may be forced to close its west wing building which currently houses the school's only biology laboratories. The expense of moving and creating a new biology lab in another building may approach $50,000.

Additional "downsizing" costs include such things as upholding current long term financial commitments without the benefit of impact aid monies which were available at the time the commitments were made, and a decline in state educational funds. These too will diminish as a result of the base closure, since state monies are calculated according to the number of students enrolled in the school district.

Mr. Chairman, as you know the Impact Aid program provides funds for the transitional costs associated with the base closure. But, as you also know, until recently the prevailing interpretation of the impact aid law was that school districts would receive 90 percent of the preceding year's payment for the three years following a decrease in federal activity. Under this assumption, the Rantoul schools were already busy working in preparation for the rough going they would face in 1992 - 95.

The Department of Education, however, has recently interpreted the statutory language differently. They have concluded that school districts are entitled only to "b" payments for the departed students even though they may have been classified as "a" children.

This interpretive difference will be devastating - especially in light of the persistent pattern of underfunding for category "b". Without adequate cessation funds, school districts will be forced to terminate teachers prematurely, eliminate successful curricular programs, and close buildings without consideration to their preservation for future use. Courses such as music, the arts, languages and physical education will be cut back, and any hope for educational innovation will be doomed.

Our school districts fully expected a cut in federal funding once the base closed, but they never anticipated such a drastic drop in assistance. Over the years, as impact aid payments fell further and further from their entitlement levels, local school districts accepted the additional burden of paying for the education of federally connected students. Now, they must jeopardize the education of their own children as the result of another federal program decision beyond their control.

Undoubtedly, the debate about the law's interpretation will continue, but I urge you, Mr. Chairman and members of the subcommittee, to fund the impact aid program to the maximum extent possible. Both category "a" and "b" payments deserve to be maintained, but, in light of "b's newly acquired significance, I urge that special consideration be given to substantial unrestricted funding increases for this second category. The local taxpayer has been generous in the past, but they will not be able to subsidize the costs of a federally initiated reduction, without lowering the quality of education for their own children.

Thank you Mr. Chairman.

THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

### HON. GENE TAYLOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. NATCHER. Our next witness is Mr. Taylor from Mississippi. One of our new Members in the House. Mr. Taylor, as you know, I sit next to Jamie Whitten, the Chairman of the full committee. I ask him every once in a while how he feels. He said I should only ask him once a month. We are glad to have you before the committee.

Mr. TAYLOR. Thank you, Mr. Chairman. We are very proud of Mr. Whitten.

I am pleased for the opportunity to appear before your committee today. For the sake of brevity, I am going to ask to deviate from your printed remarks and ask they be presented in the record.

Mr. NATCHER. In its entirety.

Mr. TAYLOR. In the past decade the State of Mississippi has made tremendous investments in education with compulsory education, compulsory kindergarten, teacher's assistants in the first three grades, two major pay raises, all things that are very important to the people of Mississippi, all very expensive. Mississippi spends 65 cents out of every dollar in the general fund on education, 45 cents out of its total budget, every budget dollar on education.

The locals show a similar commitment whereas the rule of thumb is 60 percent of all taxes collected through property taxes and sales taxes locally are spent on education.

The point I am trying to make is that the State of Mississippi, its communities have a strong commitment to education within the limited means available. We have a strong commitment to our nation's military. We are proud of our defense installations. It is common knowledge that as in the case of Keesler Air Force Base, most of those people tend to live on base. Therefore, they do not pay property taxes, tend to purchase their goods at the commissary and do not pay sales taxes.

All we are asking for is, while we are proud to have these people in our communities, for a bit of fair play when it comes to the cost of educating their children. We also welcome the help of the Federal Government in paying the cost of educating those children. In the case of Biloxi, a very small percentage of the cost of educating those children does come from the Federal Government. We are asking that 15 percent be maintained at a time when we know money is tight, we have to balance the budget, but we think it should be balanced in another way.

Thank you.

[The information follows:]

Written Statement of Congressman Gene Taylor, MS-5
Impact Aid Hearing
Subcommittee on Labor, Health and Human Services, Education and Related Agencies
April 26, 1990

Mr. Chairman, I want to thank you for allowing me the opportunity to testify before your committee on the vital need of continued impact aid for my district.

The Fifth Congressional District of Mississippi includes several miliary bases. We welcome the military personnel in our area. We enjoy their presence. The bases and personnel contribute both to our national security and local economy.

There are several points which I wish to make.

1. In Mississippi, three-fifths of most local tax bases goes toward educating our children. One-fifth of the state budget goes toward education.

The cost of educating our children is over $2 billion a year with the state primarily paying for teachers' salar and the local communities funding school buildings and administrative costs.

2. The biggest source of revenue for the state and local communities is sales, property and license tag taxes.

The average tax payer in Biloxi Mississippi pays $650 in taxes which goes directly to the local education system. In Harrison County alone, 33% of the cost of a car tag goes to the local communities for the education system. Sixty percent of all ad valorem taxes go toward education.

The military personnel living on the local bases do not pay local income taxes. They are not required to register their cars in the state. And since most shop at the local commissary and PX for food and clothing, they do not pay sales tax.

3. For these reasons alone, the local communities in my district depend on the role that the government plays in helping to educate the children of military personnel. There are approximately 2,669 "A" students and 15,450 "B" students in the Fifth Congressional District.

4. The current level of impact aid may not even be enough.

In Biloxi alone, the federal government contributed $2,084,960 in impact aid. But that comprised only 15 percent of the operational funds for the city school system.

Written Statement
Page 2

Again, Mr. Chairman, I wanted to stress that we welcome the military personnel in our district, but out a sense of fair play we encourage this committee to continue to provide the Impact Aid funding and help the military personnel pay its share of helping financially strapped communities educate children.

Mr. NATCHER. Thank you very much.

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THURSDAY, APRIL 26, 1990.

## IMPACT AID

### WITNESS

HON. PETER HOAGLAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA

DR. JOHN DEEGAN, ADMINISTRATIVE ASSISTANT, DR. ROY BENNETT, ASSISTANT SUPERINTENDENT, BELLEVUE, NEBRASKA PUBLIC SCHOOL DISTRICT

Mr. NATCHER. Our next witness is Mr. Hoagland from the Second District in Nebraska.

Mr. HOAGLAND. Chairman Natcher and distinguished Members of the subcommittee, I want to thank you very much for this opportunity to testify on behalf of Impact Aid.

Appearing with me, Mr. Chairman, is Dr. John Deegan, the Administrative Assistant, and Dr. Roy Bennett, the Assistant Superintendent of the Bellevue, Nebraska, public school district. Both of these gentlemen are authentic experts on the subject of Impact Aid, are dealers in the national organization involving Impact Aid and have been a tremendous assistance to my office and that of my predecessors. I would like to recognize them, Mr. Chairman, for their help and expertise in this area.

Mr. Chairman, I have a lengthy written statement here. I would like unanimous consent to have the entire statement appear in the record.

Mr. NATCHER. It will be placed in the record.

Mr. HOAGLAND. I would like to go through and pick out a couple of paragraphs that I think are particularly important and bring them to the Chairman's attention. I recognize the hour is late, and I will only take a minute of time.

My congressional district is the home of Offutt Air Force Base and the headquarters of the Strategic Air Command. The presence of this large military installation creates an influx of residents in the surrounding communities, and reduces local tax revenues that comprise a majority of the resources allocated for public education in Nebraska.

We are more heavily reliant on property taxes than most other states, so we rely on Impact Aid to compensate for the loss of property tax revenue.

The Bellevue school district has over 6000 Federally connected students, the Papillion LaVista school district has about 2500, and Plattsmouth has 400—to whom these schools are expected to provide a quality education. However, the parents of these students often do not pay property taxes or sales taxes, since they live on Federal property and shop at PX shops.

So while they expect the community to provide their children with a quality education, they do not provide the resources the community needs to provide educational services. The Impact Aid program is particularly important to our community.

In spite of that, as the Chairman knows, there have been drastic cuts since 1981. In this fiscal year the Federal Government is paying less than 58 percent of the actual costs of the Federal impaction to these districts. In fiscal year 1989, the school districts in my congressional district received just 53 percent of the dollars they were entitled to under a fully funded Impact Aid program. These schools have been scrimping and saving, cutting corners for years to continue to provide a decent education to our Federally connected children. There are no more corners to cut, Mr. Chairman.

For the first time since fiscal year 1979, the administration has proposing funding B students. But at $25,000,000, this is only 18 percent of the fiscal year 1987 budget for the Bs. It is far from adequate.

Mr. Chairman, in the interest of time I will skip to the end of the statement. You have been very generous. I would encourage the Members and the staff to read the statement, because it has been prepared in consultation with these experts in this area and contains a lot of valuable information.

Let me just say in conclusion, Mr. Chairman, as a relatively new Member, I have heard so many positive comments about your leadership and the leadership of the majority and the leadership this committee has given Impact Aid. Without that leadership, where would the program be today and where would the property taxpayers in Nebraska be today? We would be in very severe trouble indeed.

I, for one, want to express my appreciation and support to you and your committee for your continuing efforts to fund this Federal obligation which means so much to the students and families in my congressional district.

[The information follows:]

**April 26, 1990**

## CONGRESSMAN PETER HOAGLAND

## TESTIMONY ON IMPACT AID BEFORE HOUSE APPROPRIATIONS COMMITTEE'S SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

Chairman Natcher, and distinguished Members of this Subcommittee, thank you for this opportunity to testify today on behalf of the Impact Aid program. Appearing with me are Dr. Deegan, Administrative Assistant, and Dr. Bennett, Assistant Superintendent of the Bellevue, Nebraska, Public School District.

My Congressional District is the home of Offutt Air Force Base and the Headquarters of the Strategic Air Command. The presence of this large military installation creates an influx of residents in the surrounding communities, and reduces local tax revenues that comprise a majority of the resources allocated for public education in Nebraska.

The Bellevue School District has over 6,000 federally connected students, the Papillion LaVista School District has about 2,500, and Plattsmouth has 400--to whom these schools are expected to provide a quality education. However, the parents of these students often do not pay property taxes or sales taxes, since they live on federal property and shop at PX shops. So while they expect the community to provide their children with a quality education, they do not provide the resources the community needs to provide educational services.

The Impact Aid Program was designed to provide payment-in-lieu of the local property and other taxes that fund the public schools. Impact Aid is a federal responsibility, going hand-in-hand with our government's commitment to providing an adequate defense for the nation. How will our Armed Forces attract quality personnel, if we cannot offer their children an education up to par with the rest of the country?

In spite of this, Impact Aid has been cut drastically since 1981. In this fiscal year, the federal government is paying less than 58% of the actual costs of federal impaction to these districts. In fiscal year 1989, the School Districts in my Congressional District received just 53% of the dollars they were entitled to under a fully funded Impact Aid program. These schools have been scrimping and saving, cutting corners for years to continue to provide a decent education to our federally connected children. There are no more corners to cut, Mr. Chairman.

Federally connected students are generally divided into two categories: "a" students, who both live on federal property and whose parents work on federal property; and "b" students, whose parents work on non-taxpaying property but live in housing on which taxes are paid. School Districts are reimbursed for "b" students at 25% of the entitlement of "a" students.

For the first time since fiscal year 1979, the Administration has proposed funding "b" students. But at $25 million, this is only 18% of the fiscal year 1987 budget for the "b's." It is far from adequate.

What many people do not realize is that although parents of "b" students pay property taxes on their homes, they often shop at the commissary and post exchange, use military doctors, and participate in club activities on the post. The money spent at these places does not go to support the local schools and community. The "b" student payment is a relatively small but essential compensation for the lost revenues to the locality.

Many "b" student families retire in the Papillion LaVista locale. While they then begin paying property taxes, they can avoid paying sales taxes by continuing to use the post exchange and commissary. Their children remain in the school system, but the School District can no longer count them as military connected students. There is no Impact Aid compensation for these families.

Military connected children often have special and costly needs to the School District. A study done by the BARA (B's and Regular A's)

Subcommittee of the National Association of Federally Impacted Schools (NAFIS) found that 45% of "b" category students are a year or more behind in reading but do not go to Chapter I schools. That is a huge percentage of students who require special attention that is not funded through the usual federal program. In addition, 35% of all "b" students are on free or reduced lunches, 12% in special education, and 18% need special guidance services.

Congress has received five national studies citing the obligation of the federal government to fund Impact Aid. Yet every year, school districts have the insurmountable task of justifying the program here in Washington, and then setting budgets in their local school districts--never knowing if the program will be completely funded, or, if funded, what formulas will be used for distribution. While I believe that school districts should be attuned to Congress's annual budgetary actions, I do not think it is fair for them to have to operate a school budget in such an uncertain environment, nor is it fair for them to have to pay the federal government's tab.

Impact Aid does not provide "extra funding" to these schools. It provides basic funding, for books, teachers' salaries, desks, and equipment. It ensures that these schools will remain open for military and Indian children, and that they can continue to provide a quality education for the children of our military personnel.

While visiting with the Board of Education of the Bellevue Public Schools recently, they shared some information with me that I want to pass along to you. At times it is difficult to quantify what impact these requested funds will have. From the Fact Sheet I have provided you can see that the local taxpayer and the state are paying more than their fair share. Federal Impact Aid payments actually consist of less than 40% of the funds required to bring the school district budget in line with the rest of the state. The School District already spends approximately $200 per pupil less than the state average. Without the Impact Aid funds, Bellevue would have to either double their local tax levy, or cut 300 staff members and increase class size to as high as 50 per class. In another instance, the Papillion LaVista School District estimates that, without the approximate $700,000 they receive in Impact Aid, largely through "b" payments, the district's already high tax rate would have to go up another 12 cents per $100, or to cut programs considerably in a District that already has one of the lowest per pupil cost in the state.

I have attached to my testimony a booklet on Impact Aid, and a collection of the fact sheets from the most heavily impacted school districts in the United States serving military dependents. These materials have been provided by the Military Impacted Schools Association (MISA), an organization of the Bellevue School District and 32 other School Districts throughout the United States that are heavily impacted by military installations. MISA works with the National Association of Federally Impacted Schools, the Department of Defense, and their Congressional delegations specifically on the needs of military dependents.

I believe the fact sheets on these districts clearly illustrate the need for Impact Aid funding. Failing to properly fund this program may result in additional school closings like the one at Fort Sam Houston in San Antonio, Texas. It may result in thousands of lost jobs, class sizes of over 50 students, and an inadequate education program for children of military personnel.

Mr. Chairman, I want you to know that I am fully aware of the fiscal constraints that your Subcommittee and all of us in Congress now face. I believe these heavily impacted schools also have constraints and needs that have to be met. If the Congress intends to live up to its obligation to these students for FY91, we need to appropriate not less than the $835 million authorized in P.L. 100-297.

Mr. Natcher, as a relatively new Congressman, I have heard a number of positive comments about the leadership and support this Committee has given to Impact Aid. I, for one, want to express my appreciation and support to you and this Committee for your continuing efforts to fund this federal obligation which means so much to the students in my Congressional District.

# Impact Aid . . .

. . . providing for our
children's future

# What is impact aid?

## . . . our children's future

Impact aid provides payments for the **basic educational costs** of federally-connected students. Over half a million children of military personnel are served through this program.

## What is the history of impact aid?

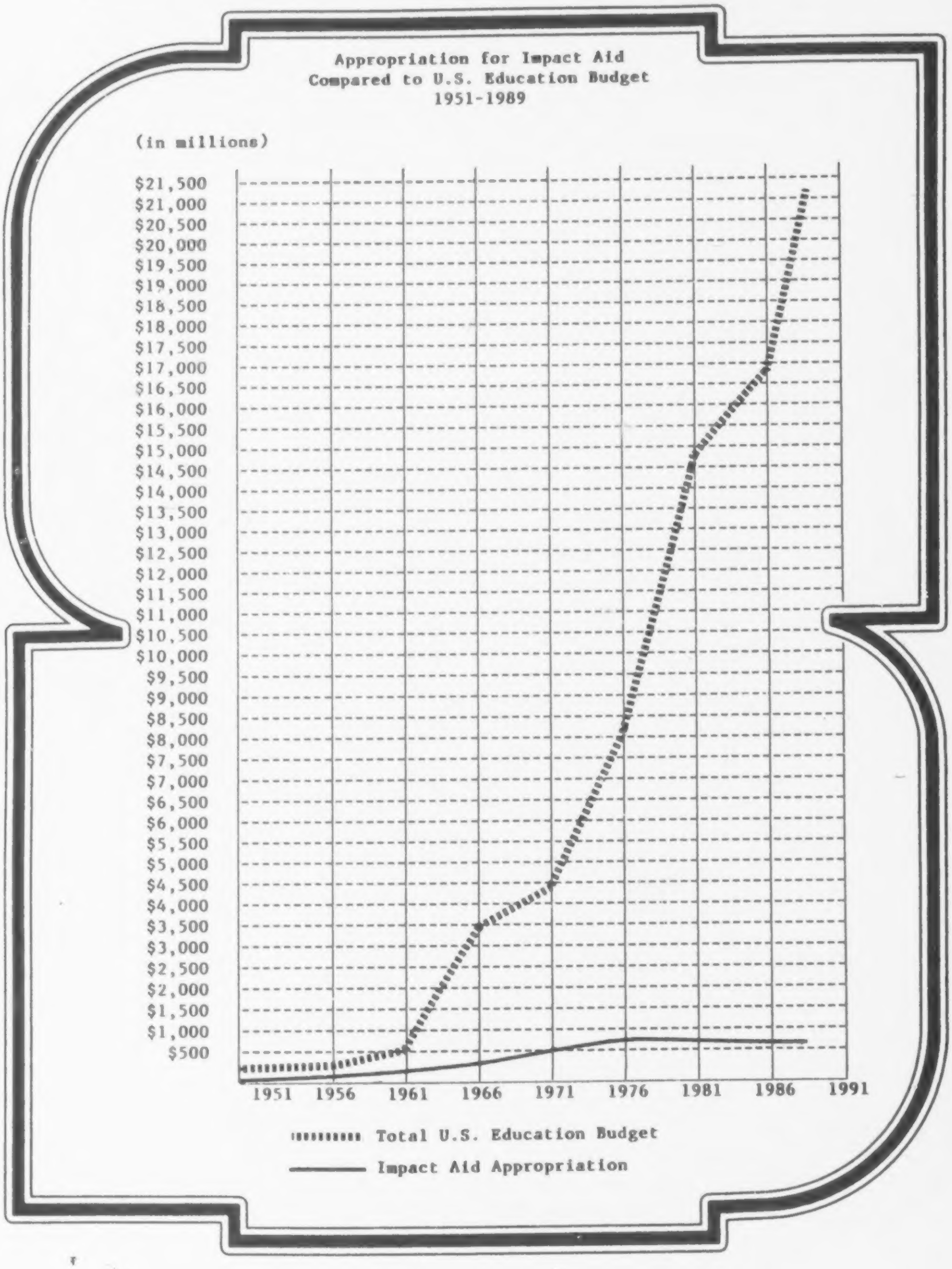
Impact aid was passed into law by Congress in 1950. It was designed to provide for the education of military dependents. But as other groups (Indians, civil service, low-rent housing) have been added, funds for military children have eroded. Up until 1970, the program was fully funded. Since then the program has faced severe cuts and is currently **funded at approximately 40% of entitlement (funding levels established by Congress).**

**Appropriations Since 1980**

| Fiscal Year | Operational PL 81—874 | Construction PL 81—815 | Impact Aid Total | % Change | Cost of Living % | Per Pupil Cost |
|---|---|---|---|---|---|---|
| 1980 | $772,000,000 | $50,000,000 | $822,000,000 | | | $2,206 |
| 1981 | 706,750,000 | 19,200,000 | 725,950,000 | -11.7 | +12.4 | 2,464 |
| 1982 | 436,800,000 | 20,000,000 | 456,800,000 | -37.1 | + 8.9 | 2,721 |
| 1983 | 450,000,000 | 60,000,000 | 510,000,000 | +11.6 | + 3.9 | 2,960 |
| 1984 | 555,000,000 | 30,000,000 | 585,000,000 | +14.7 | + 3.8 | 3,183 |
| 1985 | 675,000,000 | 20,000,000 | 695,000,000 | +18.8 | + 4.0 | 3,457 |
| 1986 | 665,975,000 | 16,747,000 | 682,722,000 | - 1.8 | + 3.8 | 3,785 |
| 1987 | 685,000,000 | 22,500,000 | 707,500,000 | + 3.6 | + 1.1 | 3,983 |
| 1988 | 685,498,000 | 22,978,000 | 708,476,000 | + 0.1 | + 4.4 | 4,130 |
| 1989 | 708,396,000 | 24,700,000 | 733,096,000 | + 3.5 | + 4.6 | N/A |
| 1990 | 717,354,000 | 14,998,000 | 732,352,000 | - 0.1 | N/A | N/A |

Note: The total appropriation decreased by 11 percent between FY 1980 and FY 1989, while the cost of living increased by 40 percent. A total appropriaiton for 1989 of $1,149,737,000 would have been required if the appropriation would have been increased by the cost of living since 1980.

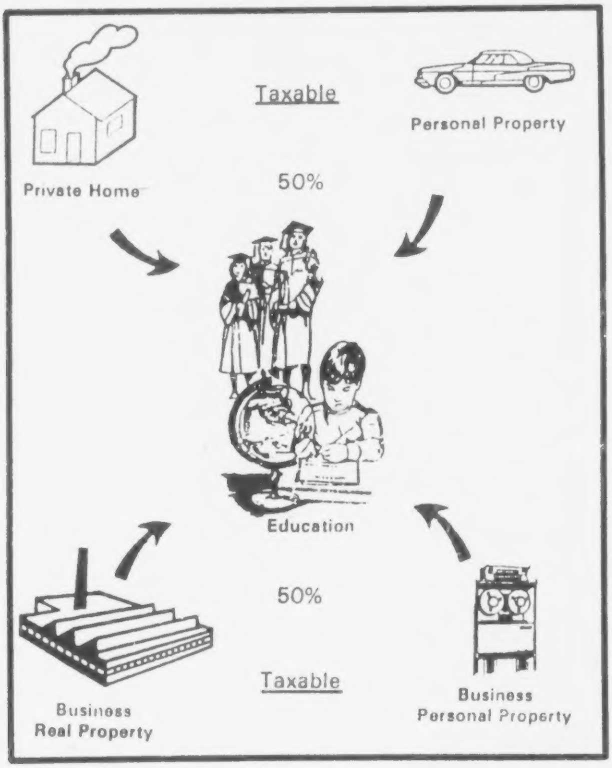
**Funding for education at the federal level has not decreased over the previous years; but rather impact aid has not kept pace with supplemental or new education programs.**



Appropriation for Impact Aid
Compared to U.S. Education Budget
1951-1989

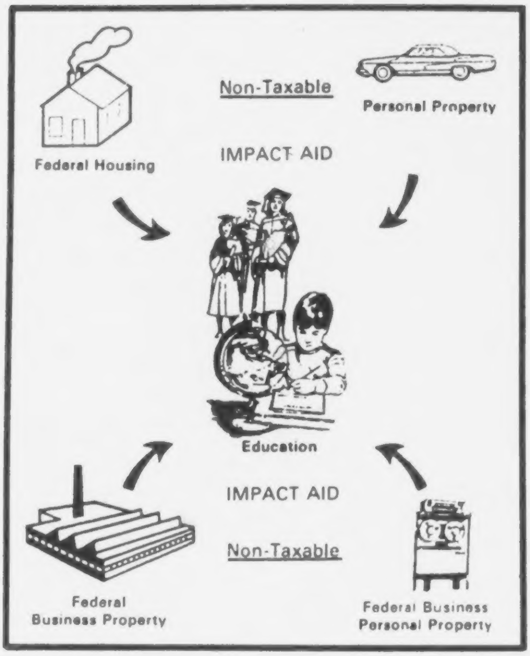
## What is a 3(a) and 3(b) student?

A primary concern for highly impacted military schools is the sections of the law referring to 3(a) and 3(b) students. A 3(a) student is one whose parents are in the military service and who work and live on federal property. And 3(b) students are dependents of military and civilian personnel who work on federal property but live in the community as renters or homeowners of privately owned property.


Taxable
Personal Property
Private Home
50%
Education
50%
Taxable
Business
Real Property
Business
Personal Property

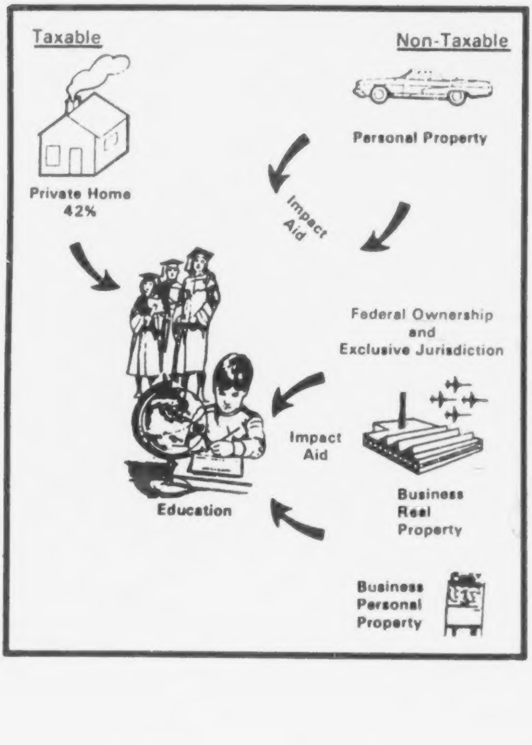
**Tax Support for a Typical School**

(50% private property; 50% business property)


Non-Taxable
Personal Property
Federal Housing
IMPACT AID
Education
IMPACT AID
Non-Taxable
Federal Business Property
Federal Business Personal Property

**3(a) Student**

Student whose parent both works and lives on Federal property.


Taxable
Non-Taxable
Personal Property
Private Home 42%
Impact Aid
Federal Ownership and Exclusive Jurisdiction
Impact Aid
Business Real Property
Education
Business Personal Property

**3(b) Student**

Military dependent whose parent does not live on federal property.

## Philosophy of impact aid

A large federal installation, while adding a great deal to the economic growth of a state, has a tremendous impact upon a local community. It means that a great deal of property and activity is removed from the local tax rolls which supports public education.

In a typical community, school taxes come from two sources: (1) the taxation on the property of private individuals (homes, autos, boats, and other personal property) and, (2) the taxation of real or personal property used for business purposes. Studies have indicated that normally half of the taxes come from private property and half from business property.

For a 3(a) student, the intent of impact aid is to totally match the local tax effort. The most difficult impact aid payment to understand is the payment for 3(b) students, whose parents work on federally-owned property but do not live on the federal property. In this case, the school district still receives the tax on the home where the parent and student live. The taxes on personal property--such as automobiles, boats, and mobile homes--are paid in their home state, as allowed under the Soldiers' and Sailors' Relief Act. The school district cannot tax the military base where the parent works. Neither can the school district tax property belonging to private industry which is located on the base if the military has exercised the right of exclusive jurisdiction. Therefore, the impact aid payment for 3(b) students is intended to match the taxes lost as a result of the federal ownership of property, exclusive jurisdiction and the Soldiers' and Sailors' Relief Act.

Economic studies, which have been authorized by Congress, have always verified that the full rate for the 3(a) student and the half rate for the 3(b) student are fully justified for the dependents of those serving in the uniformed services. However, contrary to those studies, the 1988 reauthorization bill reduced the entitlement for 3(b) students to one-fourth the 3(a) rate.

## How are funds determined?

Revenue sharing for impact aid is determined by multiplying the number of 3(a) and 3(b) students by the per pupil rate. The 3(b) rate is 25% of the 3(a) rate. The rate, of course, varies from state to state. (Rate does not equal the cost per pupil but merely matches the portion of the cost per pupil which is paid by local taxes.)

For example: if the 3(a) rate in Nebraska (dollars raised locally per pupil) is $2,000, each 3(a) pupil would entitle the district to $2,000 in federal funds. One-fourth of that, $500, would be granted for each 3(b) pupil.

For districts most severely impacted, where the total of federally connected students exceeds 50% of the total enrollment, a special budget balancing provision was added to the law which provides additional funds when need can be demonstrated.

## What needs to be done?

School districts and communities should not have to continue to exist under a fiscal cloud of uncertainty. Quality education rests in part upon the ability to make long term financial plans and commitments. State laws require contractual commitments to staff to be made months before the Congress makes a final commitment on funds to be made available. **A permanent solution needs to be found for funding impact aid.**

**What can you do?**

- promote understanding of the need for funding
- keep current on the program and its funding
- be an active advocate of the program
- communicate with local and state officials
- communicate with Congressmen and Senators

Senator J.J. Exon
330 Hart Senate Office Building
Washington, DC 20510

Senator J. Robert Kerrey
302 Hart Building
Washington, DC 20510

Congressman Peter Hoagland
1415 Longworth House Office Building
Washington, DC 20515

**If our nation wants to continue to recruit and retain the best and brightest to lead and defend our country, then schools serving military dependents must be guaranteed the financial resources to provide the best education possible. . .**

**. . . YOU can make it happen!**

Published by Military Impacted Schools Association
Bellevue Public Schools
2009 Franklin Street
Bellevue, Nebraska 68005-5062
(402) 291-6700

## Military Impacted Schools Association

**California:**
Central Union School District (Lemoore Naval Air Station)
Monterey Peninsula Unified School District (Ft. Ord , Navy Post Graduate School)
Muroc Joint Unified School District (Edwards AFB - AFSC)

**Connecticut:**
Groton Public Schools (U.S. Naval Submarine Base)

**Idaho:**
Mountain Home School District #193 (Mountain Home AFB - TAC)

**Illinois:**
Highwood-Highland Park School District (Ft. Sheridan )
Mascoutah Community School Unit S.D. #19 (Scott AFB - MAC)

**Indiana:**
Maconaquah School Corporation (Griffiths AFB - SAC)

**Kansas:**
Geary County Unified Schools (Ft. Riley )
Fort Leavenworth School District (Ft. Leavenworth )

**Louisana:**
Vernon Parish School Board (Ft. Polk )

**Maine:**
Limestone School District (Loring AFB - SAC)

**Massachusetts:**
Ayer School District (Ft. Devens )

**Michigan:**
Gwinn Area Community Schools (K.I. Sawyer AFB - SAC)
Oscoda Area Schools (Wurtsmith AFB - SAC)

**Missouri:**
Knob Noster School District R-VIII (Whiteman AFB - SAC)
Waynesville R-VI Schools (Ft. Leonard Wood )

**Nebraska:**
Bellevue Public Schools (Offutt AFB - SAC)

**New Jersey:**
North Hanover School District (McGuire AFB - MAC)
Pemberton Township (Ft. Dix , McGuire AFB - MAC)
Northern Burlington County School District (McGuire AFB - MAC)

**New York:**
Peru Central School District (Plattsburgh AFB - SAC)

**North Dakota:**
Grand Forks School District #1 (Grand Forks AFB - SAC)

**Rhode Island:**
Public Schools of Middletown (Naval Education Training Center, Newport)

**South Dakota:**
Douglas School District 51-1 (Ellsworth AFB - SAC)

**Texas:**
Del Valle Independent School District (Bergstrom AFB - TAC)
Fort Sam Houston Independent School District (Ft. Sam Houston )
Killeen Independent School District (Ft. Hood )
Lackland Independent School District (Lackland AFB - ATC)
Randolph Field Independent School District (Randolph AFB - ATC)

**Virginia:**
Prince George County Public Schools (Ft. Lee , Fed. Reformatory, Nat. Military Park)

**Washington:**
Medical Lake School District #326 (Fairchild AFB - SAC)

# Need for Impact Aid in the Bellevue Public Schools

## Impact Aid Need

(information based on 1988-89 school year)

| | | |
|---|---|---|
| • number of students enrolled in ADA | 8,222 | |
| • state per pupil cost | X $4,064 | |
| • total operating budget needed to provide an educational program just at the average of Nebraska schools | | **$33,414,208** |
| • local support received | $11,648,093 | |
| • state support received | 9,572,767 | |
| • federal support received (other than impact aid) | 79,828 | |
| • **total local, state, and other federal support** | | **$21,300,688** |
| • difference (money that must come from impact aid to just provide an educational program at the state average) | | $12,113,520 |
| • impact aid received | | - $4,517,985 |
| • Shortfall | | **$7,595,535**** |

****If Department of Education does not approve and fully fund 3(d)(2)(B) application, Bellevue could lose approximately 200 staff members and the average class size would increase to approximately 40 students per classroom.**

## Impact Aid Eliminated

| | |
|---|---|
| • impact aid need | $12,113,520 |

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 324 staff members and Bellevue's average class size would increase to approximately 51 students per classroom.**

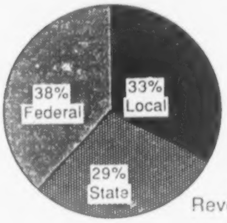
# Impact Aid--guaranteeing military dependents a quality educational program

**Impact aid . . .**

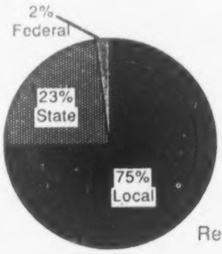
. . . is intended to provide financial support to local school districts for the basic education of military dependents.
. . . serves over half a million dependents of military personnel.
. . . the impact aid program is funded at approximately 40% of entitlement.

**Bellevue Public Schools . . .**

. . . provides an education program for approximately 8,400 students--65% of whom are dependents of military personnel.
. . . class size is slightly higher than the metropolitan area elementary class size of 22.5.
. . . per pupil cost is $200 below the state average.
. . . where does the money come from:



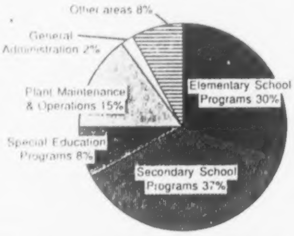
Bellevue
Revenue Sources



Nebraska
Revenue Sources

. . . local tax rate of $1.78 is above the average for K-12 districts of $1.67. This demonstrates Bellevue's commitment to a quality education for the young people of the Bellevue/Offutt Community.
. . . how are the funds spent:

**Direct student services comprise 80% of the proposed budget.**



**Should children of military personnel receive a quality education? YES . . . These children should be guaranteed every opportunity for a quality education--just as their counterparts in the civilian community. These children are our future leaders.**

**. . . YOU can make it happen!**

## Need for Impact Aid in the North Hanover Public Schools

## Impact Aid Need

(information based on 1989-90 school year)

| | | |
|---|---|---|
| • number of students enrolled | 1,808 | |
| • state per pupil cost (or whatever you use) | X $5,417 *** | |
| • total operating budget needed to provide an educational program just at the average of Five schools | | $9,793,936.00 |
| • local support received | $ 670,000.00 | |
| • state support received | 2,103,077.00 | |
| • federal support received (other than impact aid) | 123,645.00 | |
| • **total local, state, and other federal support** | | $2,350,367.00 |
| • difference (money that must come from impact aid to just provide an educational program at the state average) | | $7,443,569.00 |
| • impact aid received | | - $2,795,737.00 |
| • Shortfall | | $ 4,647,832.00* |

****If Department of Education does not approve and fully fund 3(d)(2)(B) application, ________ could lose approximately ____ staff members and the average class size would increase to approximately ___ students per classroom.**

** This figure is so large that we could not possibly cut enough staff to make up the difference. We will have to close the doors.

## Impact Aid Eliminated

- impact aid need $________

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately _____ staff members and _________'s average class size would increase to approximately ____ students per classroom.**

*** The North Hanover Township School District cost per student for 1988-89 was $3,180. while the state average cost per student was $5,417.

# Need for Impact Aid in the ______________ Public Schools

Mascoutah Community Unit
School District 19

## Impact Aid Need

(information based on ~~1988-89~~ school year)
1988-89

| | | |
|---|---|---|
| • number of students enrolled | 3,245 | |
| • state per pupil cost **(or whatever you use)** | X 4,495 | |
| • total operating budget needed to provide an educational program just at the average of Illinois schools | | $ 14,586,275 |
| • local support received | $ 2,144,918 | |
| • state support received | 6,592,271 | |
| • federal support received (other than impact aid) | 147,165 | |
| • **total local, state, and other federal support** | | $ 8,874,354 |
| • difference (money that must come from impact aid to just provide an educational program at the state average) | | $ 5,711,921 |
| • impact aid received | | - $2,692,773 |
| • Shortfall | | $ 3,019,148 ** |

****If Department of Education does not approve and fully fund 3(d)(2)(B) application, Mascoutah could lose approximately 90 staff members and the average class size would increase to approximately 31.5 students per classroom.**

## Impact Aid Eliminated

| | |
|---|---|
| • impact aid need | $ 5,711,921 |

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 160 staff members and Mascoutah's average class size would increase to approximately 39.1 students per classroom.**

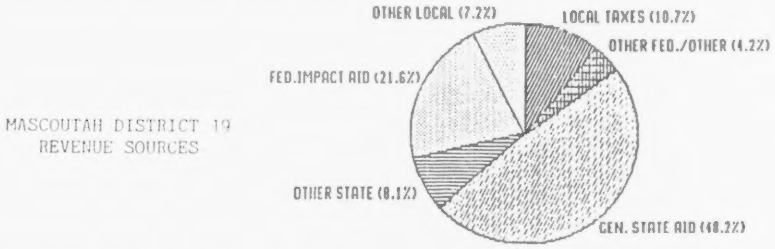
## Impact Aid--guaranteeing military dependents a quality educational program

**Impact aid . . .**

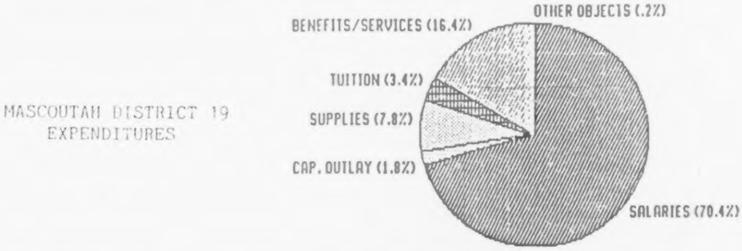
... is intended to provide financial support to local school districts for the basic education of military dependents.
... serves over half a million dependents of military personnel.
... the impact aid program is funded at approximately 40% of entitlement.

**__________ Public Schools . . .**

... provides an education program for approximately 3,300 students--61 % of which are dependents of military personnel.
... class size is slightly higher than the metropolitan area elementary class size of 23.1.
... per pupil cost is $230 below the state average of $4,215.
... where does the money come from:



... local tax rate of $1.78 is above the average for K-12 districts of $1.67. This demonstrates Bellevue's commitment to a quality education for the young people of the Bellevue/Offutt Community.
... how are the funds spent:



**Should children of military personnel receive a quality education? YES . . . These children should be guaranteed every opportunity for a quality education--just as their counterparts in the civilian community. These children are our future leaders.**

**. . . YOU can make it happen!**

## Need for Impact Aid in the Waynesville R-VI Schools

**399 School Street**
**Waynesville, Mo. 65583**

**Serving Waynesville, St. Robert,**
**and Fort Leonard Wood**

### Impact Aid Need

(information based on 1988-89 school year)

| | | |
|---|---|---|
| • average daily attendance | 4,260 | |
| • state per pupil cost | $3,921 | |
| • total operating budget needed to provide an educational program | | $16,703,460 |
| • local support received | $2,629,988 | |
| • state support received | 8,458,930 | |
| • federal support received (other than impact aid) | 770,308 | |
| • **total local, state, and other federal support** | | **$11,859,226** |
| • difference (money that must come from impact aid to just provide an educational program at the state average) | | $4,844,234 |
| • impact aid received | | $3,126,085 |
| • Shortfall | | $1,718,149 |

**** If the United States Congress does not approve and fully fund the Impact Aid Program, Waynesville will have the choice of closing its doors or reducing the quality of education for military dependents.**

*NAFIS and MISA Member*

## IMPACT AID–guaranteeing military dependents a quality educational program

**Impact aid . . .**

. . . is intended to provide financial support to local school districts for the basic education of military dependents.

. . . serves over half a million dependents of military personnel.

. . . the impact aid program is funded at approximately 40% of entitlement.

**Waynesville R-VI Schools . . .**

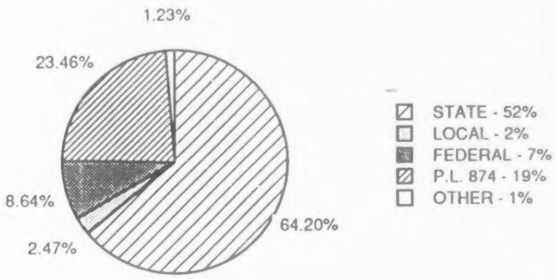
. . . provides an education program for approximately 5000 students--70% of which are dependents of military personnel.

. . . class size is slightly higher than the state average class size of 22.

. . . per pupil cost is $3,722 below the state average of $3,921.

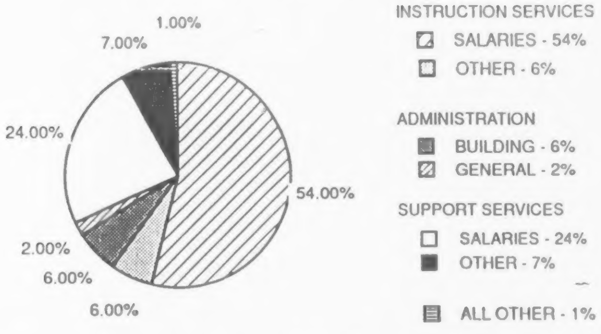
. . . where does the money come from:

*REVENUE DOLLAR - 1988 - 89*



. . . how are the funds spent:

*EXPENDITURES 1988 - 89*



**Should children of military personnel receive a quality education? YES . . . These children should be guaranteed every opportunity for a quality education--just as their counterparts in the civilian community. These children are our future leaders.**

**. . . YOU can make it happen!**

## Need for Impact Aid in the Douglas Public Schools

APR 1990
RECEIVED
By

### Impact Aid Need

(information based on 1988-89 general & special ed funds)

| | | |
|---|---|---|
| o number of students enrolled | 2,805 | |
| o state per pupil cost | X $3,193 | |
| o total operating budget needed to provide an educational program just at the average of South Dakota schools | | $ 8,956,680 |
| o local support received | $ 1,097,200 | |
| o state support received | 3,199,309 | |
| o federal support received (other than impact aid) | 206,455 | |
| **o total local, state, and other federal support** | | $ 4,502,964 |
| o difference (money that must come from impact aid to just provide an educational program at the state average) | | $ 4,453,716 |
| o impact aid received | | -$ 2,453,716 |
| o shortfall | | $ 2,000,000 ** |

****If Department of Education does not approve and fully fund 3(d)2(B) application, Douglas could lose approximately 88 staff members, which would threaten closing of the school.**

### Impact Aid Eliminated

| | |
|---|---|
| o impact aid need | $ 4,453,716 |

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 198 staff members and Douglas would be forced to close the school.**

**MEDICAL LAKE SCHOOL DISTRICT #326**
**BOX 128**
**MEDICAL LAKE, WASHINGTON 99022**

APR 1990
RECEIVED
By________

## Need for Impact Aid in the Medical Lake Public Schools

### Impact Aid Need

(information based on 19~~89-90~~ school year)
88-89

- number of students enrolled 1730
- state per pupil cost **(or whatever you use)** X $ 4,562.00
- total operating budget needed to provide an educational program just at the average of ________ schools $ 7,892,260
- local support received $ 254,043
- state support received 5,913,672
- federal support received (other than impact aid) 331,810
- **total local, state, and other federal support** $ 6,499,525
- difference (money that must come from impact aid to just provide an educational program at the state average) $ 1,392,735
- impact aid received - $ 1,220,911
- Shortfall $ 171,824 **

****If Department of Education does not approve and fully fund 3(d)(2)(B) application, Medical Lake would lose approximately 7 staff members and the average class size would increase to approximately 23 students per classroom.**

### Impact Aid Eliminated

- impact aid need $ 1,500,000

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 35 staff members and Medical Lake's average class size would increase to approximately 37 students per classroom.**

## Need for Impact Aid in the Fort Sam Houston Public Schools

### Impact Aid Need

(information based on 1988-89 school year)

- number of students enrolled 1675
- state per pupil cost (or whatever you use) X 4135.82
- total operating budget needed to provide an educational program just at the average of Texas schools $ 6,927,499
- local support received $ 423,689
- state support received 3,077,045
- federal support received (other than impact aid) 312,619
- **total local, state, and other federal support** $ 3,813,353
- difference (money that must come from impact aid to just provide an educational program at the state average) $ 3,114,146
- impact aid received - $ 2,693,317
- Shortfall $ 420,829 **

****If Department of Education does not approve and fully fund 3(d)(2)(B) application, FSHISD could lose approximately 16 staff members and the average class size would increase by approximately 5 students per classroom.**

### Impact Aid Eliminated

- impact aid need $ 3,114,146

If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately half of the entire budget, consequently the district would have to close.

## Impact Aid--guaranteeing military dependents a quality educational program

**Impact aid . . .**

- . . . is intended to provide financial support to local school districts for the basic education of military dependents.
- . . . serves over half a million dependents of military personnel.
- . . . the impact aid program is funded at approximately 40% of entitlement.

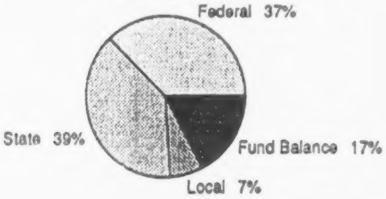
FORT SAM HOUSTON PUBLIC SCHOOLS.....

. . . provides an education program for approximately 1675 students--99% which are dependents of military personnel.

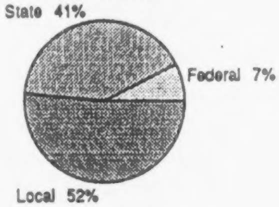
. . . has no local tax base

. . . where does the money come from and how are the funds spent:

Fort Sam Houston ISD
Revenue Sources

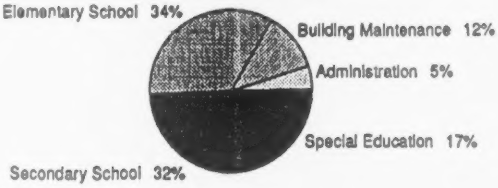


Texas
Revenue Sources



Fort Sam Houston ISD
Expenditures for Education

Direct student services comprise 83% of the proposed budget.



Should children of military personnel receive a quality education? YES . . . These children should be guaranteed every opportunity for a quality education--just as their counterparts in the civilian community. These children are our future leaders.

. . . YOU can make it happen!

MOUNTAIN HOME SCHOOL DISTRICT 193
P. O. BOX 890
140 NORTH 3RD EAST
MOUNTAIN HOME, IDAHO 83647

RECEIVED APR 1990 BY

## IMPACT AID NEED
(Information based on 1988-89 school year)

| | | |
|---|---|---|
| FUNDING OF STUDENTS ENROLLED, ADA | 3,407 | |
| MTN. HOME PER PUPIL COST | $2,673 | |
| TOTAL OPERATING BUDGET NEEDED TO PROVIDE AN EDUCATIONAL PROGRAM | | $9,106,911 |
| LOCAL SUPPORT RECEIVED | 1,250,992 | |
| STATE SUPPORT RECEIVED | 5,990,525 | |
| FEDERAL SUPPORT RECEIVED (OTHER THAN IMPACT AID) | 26,098 | |
| TOTAL LOCAL, STATE, AND OTHER FEDERAL SUPPORT | | $7,267,615 |
| DIFFERENCE (MONEY THAT MUST COME FROM IMPACT AID TO JUST PROVIDE AN EDUCATIONAL PROGRAM AT THE DISTRICT'S PER PUPIL COST) | | $1,839,296 |
| IMPACT AID RECEIVED | | (1,551,597) |
| SHORTFALL ** | | $287,699 |

**IF DEPARTMENT OF EDUCATION DOES NOT APPROVE AND FULLY FUND 3(d)2(B) APPLICATION, MTN. HOME COULD LOSE APPROXIMATELY 11 STAFF MEMBERS AND THE AVERAGE CLASS SIZE WOULD INCREASE TO APPROXIMATELY 20 STUDENTS PER CLASSROOM FROM 18 STUDENTS PER CLASSROOM.

## IMPACT AID ELIMINATED

| | |
|---|---|
| IMPACT AID NEEDED | $1,839,296 |

IF IMPACT AID IS TOTALLY ELIMINATED AND NO OTHER SOURCES OF INCOME WERE SECURED FROM LOCAL OR STATE SOURCES, THIS WOULD AFFECT APPROXIMATELY 76 STAFF MEMBERS AND MTN. HOME'S AVERAGE CLASS SIZE WOULD INCREASE TO APPROXIMATELY 27 STUDENTS PER CLASSROOM, FROM 18 STUDENTS PER CLASSROOM.

# NEED FOR IMPACT AID
# IN THE
# GWINN AREA COMMUNITY SCHOOLS

## IMPACT AID NEED
(information based on 1989-90 school year)

| | | |
|---|---|---|
| 1. Number of students enrolled (K-12) - | 2,840 | |
| 2. State per pupil cost (estimate) X | 3,800 | |
| 3. Total operating budget needed to provide an educational program just at the average of Michigan schools | | $10,792,000 |
| 4. Local support received | $2,138,676 | |
| 5. State support received | 5,143,740 | |
| 6. Federal support received (other than impact aid) | 188,500 | |
| TOTAL LOCAL, STATE & OTHER FEDERAL SUPPORT | | $ 7,470,916 |
| 7. Difference (money that must come from impact aid to just provide an educational program at the state average) | | $ 3,321,084 |
| 8. Impact aid received | | $ 2,500,000 |
| SHORTFALL | | $ 821,084 |

## IMPACT AID ELIMINATED

| | |
|---|---|
| 1. Impact Aid need | $ 3,321,084 |

If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 75 staff members and **Gwinn's** average class would increase to approximately 40 students per classroom.

## IMPACT AID -- GUARANTEEING MILITARY DEPENDENTS A QUALITY EDUCATIONAL PROGRAM

### Impact Aid

..... is intended to provide financial support to local school districts for the basic education of military dependents.

..... serves over half a million dependents of military personnel.

..... the impact aid program is funded at approximately 40% of entitlement.

### Gwinn Area Community Schools

..... provides an education program for approximately 2,840 students -- 61% of which are dependents of military personnel.

..... per pupil cost is $138 below the state average of $3,800

..... where does the money come from:

Gwinn Area Community Schools:

| | |
|---|---|
| Local | 21% |
| Federal | 27% |
| State | 52% |
| TOTAL | 100% |

..... how are the funds spent:

Gwinn Area Community Schools

| | |
|---|---|
| Basic school programs | 55% |
| Added needs school programs | 9% |
| Pupil support & instructional support | 5% |
| Plant maintenance & transportation | 19% |
| General administration | 4% |
| Other | 8% |
| TOTAL | 100% |

Should children of military personnel receive a quality education? **YES ....** These children should be guaranteed every opportunity for a quality education -- just as their counterparts in the civilian community. These children are our future leaders.

**.... YOU can make it happen!**

gb

# Need for Impact Aid
# in the
# Limestone Public Schools
# 1988 - 1989

Number of students 1451 Budget $6,341,475.00

85 percent impacted

Budget Funds Available

| | |
|---|---|
| local support | $282,067.00 |
| other | $838,474.00 |
| state support | $3,690,800.00 |
| Total | $4,811,341.00 |
| Impact aid received | $1,146,637.00 |
| Total | $5,957,978.00 |
| Shortfall | [$383,497.00] |

## Need for Impact Aid
## in the
## Killeen Public Schools

OPERATIONAL COSTS

### Impact Aid Need

(information based on 1988-89 school year)

| | | |
|---|---|---|
| • number of students enrolled | 22,951 | |
| • state per pupil cost **(or whatever you use)** | X 3348 (operating only) | |
| • total operating budget needed to provide an educational program just at the average of Texas schools | | $ 76,839,948 |
| • local support received | $ 8,440,802 | |
| • state support received | 43,901,488 | |
| • federal support received (other than impact aid) | 1,907,521 | |
| • **total local, state, and other federal support** | | $ 54,249,811 |
| • difference (money that must come from impact aid to just provide an educational program at the state average) | | $ 22,590,137 |
| • impact aid received | | - $ 8,417,041 |
| • Shortfall | | $ 14,173,096 ** |

~~**If Department of Education does not approve and fully fund 3(d)(2)(B) application, ______ could lose approximately ___ staff members and the average class size would increase to approximately ___ students per classroom.**~~ NA to Killeen

### Impact Aid Eliminated

- impact aid need $ 22,590,137

received (8.4 mill)

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 350 staff members and Killeen's average class size would increase to approximately 29.14 students per classroom.**

~~Elementary from [illegible]~~ to
~~Secondary from~~

from 22.42 to 29.14

PHONE 733-2700
POST OFFICE BOX 80

PRINCE GEORGE COUNTY PUBLIC SCHOOLS
OFFICE OF THE SUPERINTENDENT
PRINCE GEORGE, VIRGINIA 23875

April 6, 1990

To Whom It May Concern:

I am forwarding to you a summary of Impact Aid for the past five years for the Prince George School Board in Virginia.

These figures show a significant shortfall of funds, especially in 1988-89. In the budget process, our School Division uses the actual funds received in the prior year to project Impact Aid. By using this method, the Prince George School Board takes into consideration the shortfall of funds. The County Board of Supervisors must struggle with increasing the local appropriation of funds to educate our children.

I strongly urge you you to look carefully at the Impact Aid Program. This program has the ability to assist our school division in providing the highest quality education possible.

Thank-you for your consideration in this important issue.

Sincerely,

James E. Rooks

James E. Rooks
School Superintendent

Attachment

## PRINCE GEORGE SCHOOL BOARD
## A LOOK AT IMPACT AID

| | ADA "A" STUDENT | ADA "B" STUDENT | TOTAL STUDENTS | ENTITLEMENT | ACTUAL PAYMENTS | SHORTFALL |
|---|---|---|---|---|---|---|
| 1988-89 | 1,148.58 | 737.17 | 1,885.75 | 3,506,768.45 | 2,143,775.83 | 1,362,992.62 |
| 1987-88 | 1,160.73 | 840.03 | 2,000.76 | 2,579,975.03 | 2,292,581.26 | 287,393.77 |
| 1986-87 | 1,145.24 | 733.88 | 1,879.12 | 2,382,616.12 | 2,157,424.25 | 225,191.87 |
| 1985-86 | 1,371.39 | 758.31 | 2,129.70 | 2,767,077.48 | 2,472,055.01 | 295,022.47 |
| 1984-85 | 1,376.18 | 719.67 | 2,095.85 | 2,763,755.36 | 2,592,215.23 | 171,540.13 |

## Impact Aid--guaranteeing military dependents a quality educational program

**Impact aid . . .**

. . . is intended to provide financial support to local school districts for the basic education of military dependents.

. . . serves over half a million dependents of military personnel.

. . . the impact aid program is funded at approximately 40% of entitlement.

Knob Noster **Public Schools . . .**

. . . provides an education program for approximately 1763 students--63 % of which are dependents of military personnel.

. . . class size is slightly higher than the metropolitan area elementary class size of ____. DOES NOT APPLY

. . . per pupil cost is $ 804 below the state average of $3785 .

. . . where does the money come from:

1988-1989
State = 45%
Federal = 5%
Impact Aid = 21%
Local = 15%
State Sales Tax = 12%
County = 2%

(Graphs or Charts)

. . . local tax rate of $1.78 is above the average for K-12 districts of $1.67. This demonstrates Bellevue's commitment to a quality education for the young people of the Bellevue/Offutt Community. DOES NOT APPLY

. . . how are the funds spent:

(Graphs or Charts)

1988-1989
Elementary & Secondary School Programs = 62%
Pupil Transportation
Facility Acquisition & Construction
Debt Service
Food Service
= 13%
Special Education = 9%

Administration & Business Services = 9%
Plant Operation & Maintenance = 7%

**Should children of military personnel receive a quality education? YES . . . These children should be guaranteed every opportunity for a quality education--just as their counterparts in the civilian community. These children are our future leaders.**

**. . . YOU can make it happen!**

## Need for Impact Aid in the KNOB NOSTER, MO. Public Schools

WHITEMAN AIR FORCE BASE
401 EAST WIMER STREET
KNOB NOSTER, MO 65336

### Impact Aid Need

(information based on 1988-89 school year)

| | | |
|---|---|---|
| • number of students enrolled | 1763 | |
| • state per pupil cost **(or whatever you use)** | X 3785 | |
| • total operating budget needed to provide an educational program just at the average of MISSOURI schools | | $ 6,672,955 |
| • local support received | $ 1,470,717 | |
| • state support received | 2,278,040 | |
| • federal support received (other than impact aid) | 233,290 | |
| • **total local, state, and other federal support** | | $ 3,982,047 |
| • difference (money that must come from impact aid to just provide an educational program at the state average) | | $ 2,690,908 |
| • impact aid received | | - $ 1,074,322 |
| • Shortfall | | $ 1,616,586 ** |

****If Department of Education does not approve and fully fund 3(d)(2)(B) application, __________ could lose approximately ___ staff members and the average class size would increase to approximately ___ students per classroom.**

Our district is not eligible for 3(d)(2)(B) payments at this time.

### Impact Aid Eliminated

| | |
|---|---|
| • impact aid need | $ 1,074,322 |

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 45 staff members and Knob Noster's average class size would increase to approximately 35 students per classroom.**

## Need for Impact Aid in the LACKLAND Public Schools

### Impact Aid Need

(information based on 1988-89 school year)

| | | |
|---|---|---|
| • number of students enrolled | 892 | |
| • state per pupil cost (Budgeted) | X 4,135.82 | |
| • total operating budget needed to provide an educational program just at the average of Texas schools | | $3,689,151 |
| • local support received (Actual) | $ 355,193 | |
| • state support received (Actual) | 2,034,938 | |
| • federal support received (Actual) (other than impact aid) | 72,823 | |
| • **total local, state, and other federal support** | | $2,462,954 |
| • difference (money that must come from impact aid to just provide an educational program at the state average) | | $1,226,197 |
| • impact aid received (Actual) | | - $ 1,698,398 |
| • Shortfall | | $ N / A ** |

****If Department of Education does not approve and fully fund 3(d)(2)(B) application, __________ could lose approximately ___ staff members and the average class size would increase to approximately ___ students per classroom.**

### Impact Aid Eliminated

| | |
|---|---|
| • impact aid need | $1,226,197 |

If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would in effect close our district, since approximately 40% of our budget is derived from impact aid.

## Impact Aid--guaranteeing military dependents a quality educational program

Impact aid . . .

- . . . is intended to provide financial support to local school districts for the basic education of military dependents.
- . . . serves over half a million dependents of military personnel.
- . . . the impact aid program is funded at approximately 40% of entitlement.

LACKLAND INDEPENDENT SCHOOL DISTRICT ...

... provides an education program for approximately 892 students -- 99% of which are dependents of military personnel.

... has no local tax base.

... where does the money come from and how are the funds spent:

| REVENUE SOURCE | LACKLAND ISD (Actual) | TEXAS (AVG) (Budgeted) |
|---|---|---|
| Local | 8.5% | 52% |
| State | 49.0% | 41% |
| Federal | 42.5% | 7% |

| EXPENDITURES | LACKLAND ISD (Actual) |
|---|---|
| Instr. Services | 53.5% |
| Instr. Related Serv. | 9.9% |
| Other Pupil Services | 9.3% |
| General Administration | 7.5% |
| Plant Maintenance | 8.6% |
| Plant Construction | 11.1% |
| Communitiy Services | 0.1% |

Student services comprise 72.7% of the actual 88-89 expenditures.

**Should children of military personnel receive a quality education? YES . . . These children should be guaranteed every opportunity for a quality education--just as their counterparts in the civilian community. These children are our future leaders.**

**. . . YOU can make it happen!**

## Need for Impact Aid in the Middletown Public Schools

### Impact Aid Need

| | | |
|---|---|---|
| . number of students enrolled | 3080 | |
| . state per pupil cost (or whatever you use) | x 5182 | |
| . total operating budget needed to provide an educational program just at the average of Middletown schools | | $ 15,960,560 |
| . local support received | $ 8,166,486 | |
| . state support received | 3,895,233 | |
| . federal support received (other than impact aid) | 0 | |
| . total local, state, and other federal support | | $ 12,061,719 |
| . difference (money that must come from impact aid to just provide an educational program at the state average) | | $ 3,898,841 |
| . impact aid received | | $ 1,811,875 |
| . Shortfall | | $ 2,086,966 |

### Impact Aid Eliminated

| | |
|---|---|
| . impact aid need | $ 3,898,841 |

If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would effect approximately 91 staff members and Middletown's average class size would increase to approximately 32 students per classroom.

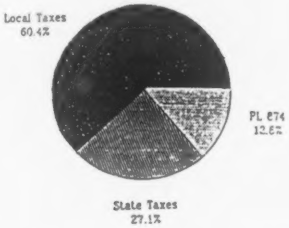
## Impact Aid--guaranteeing military dependents a quality educational program

Impact aid...

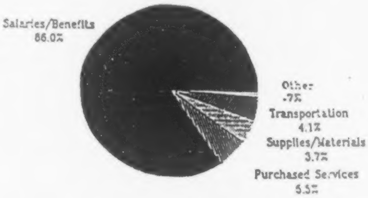
... is intended to provide financial support to local school districts for the basic education of military dependents.
... serves over half a million dependents of military personnel.
... the impact aid program is funded at approximately 40% of entitlement.

Middletown Public Schools...

... provides an education program for approximately 3080 students--51% of which are dependents of defense oriented personnel.
... per pupil cost is $140 below the state average of $4899.
... where does the money come from:



... local tax rate of $16.87 is above the average for K-12 districts of $16.42. This demonstrates commitment to a quality education for the young people of Middletown.



Should children of military personnel receive a quality education? YES . . . These children should be guaranteed every opportunity for a quality education--just as their counterparts in the civilian community. These children are our future leaders.

. . . YOU can make it happen!

# Need for Impact Aid in the OSCODA AREA SCHOOLS Public Schools

## Impact Aid Need

(information based on 1988-89 school year)

| | | |
|---|---|---|
| • number of students enrolled | 3,229 | |
| • state per pupil cost **(or whatever you use)** | X 5,098 | |
| • total operating budget needed to provide an educational program just at the average of comparable schools | | $ 16,461,442 |
| • local support received | $ 6,048,895 | |
| • state support received | 2,440,340 | |
| • federal support received (other than impact aid) | 358,839 | |
| • **total local, state, and other federal support** | | $ 8,848,074 |
| • difference (money that must come from impact aid to just provide an educational program at t~~he state average~~) comparable dist. exp. | | $ 7,613,368 |
| • impact aid received | | - $ 2,164,962 |
| • Shortfall | | $ 5,448,406 ** |

****If Department of Education and Congress does not approve and fully fund ~~8(d)(2)(B)~~ 3c application, Oscoda could lose approximately 40 staff members and the average class size would increase to approximately 39 students per classroom.**

## Impact Aid Eliminated

| | |
|---|---|
| • impact aid need | $ 7,613,368 |

**If impact aid is totally eliminated and no other sources of income were secured from local or state sources, this would affect approximately 65 staff members and Oscoda's average class size would increase to approximately 43 students per classroom.**

Mr. NATCHER. Mr. Hoagland, we want to thank you for your appearance before our committee at this time. You have made us an excellent statement. I want to thank both of you gentlemen for attending this hearing.

This completes the hearing for the afternoon. This has been a good hearing. We want to thank all of the Members in the House and in the Senate and all of the ladies and gentlemen who have appeared during the day on the matter concerning Impact Aid. It has been a good hearing. Thank you very much.

The committee will now adjourn until 2:00 on Monday.

[The following statements were submitted for inclusion in the record:]

DUNCAN HUNTER
45TH DISTRICT, CALIFORNIA

CHAIRMAN
REPUBLICAN RESEARCH COMMITTEE

COMMITTEE ON ARMED SERVICES
SUBCOMMITTEES
SEAPOWER
RESEARCH AND DEVELOPMENT

REPUBLICAN TASK FORCE
ON AGRICULTURE

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CONGRESSMAN DUNCAN HUNTER

TESTIMONY BEFORE THE
SUBCOMMITTEE ON LABOR-HEALTH AND HUMAN SERVICES-EDUCATION
APRIL 26, 1990

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to testify before you today on the subject of impact aid. I have testified many times on the importance of impact aid to the 45th district of California, and I hope the subcommittee will continue to support this very worthwhile program.

As, you know, my district includes the entire California-Mexico border. As a result, this requires federal ownership of property and the operation of government agencies that bring federal employees to the local communities. At the same time, the border creates a diverse multi-lingual and low income student population that places exceptional burdens on the local school districts.

In addition, my district contains the Naval Air Station in Coronado, the Naval Air Facility in El Centro, a Naval Submarine Base, and several other military facilities. These facilities occupy some of the most valuable real estate on the West Coast. The district is further impacted by a large number of Indian reservations.

The 45th district contains all categories of Impact Aid. We have A's and Super A's, B's and Super B's. The Coronado Unified School District, serving the Naval Air Station, and San Pasqual Unified School District, serving an Indian reservation by the Colorado River, are both Super A districts enrolling and housing students on federally owned land. The South Bay Unified School District, serving off-base military and civilian personnel, has an enrollment of over 28% Category B students from military families and from the families of civilian employees of the federal government.

South Bay has been at the bottom of all school districts in San Diego County in expenditure per pupil. The school district serves the border area and has large numbers of children from low income and non-English speaking families. If it were not for the receipt of Impact Aid funds as a Super B district, then the district would have had difficulty meeting the mandates of federal and state law to provide special services for their handicapped, non-English speaking students.

Mr. Chairman, I'd like to address a common misconception here in Washington that the community profits from Category B students because their parents pay local taxes. In fact, under the provisions of the Soldiers and Sailors Relief Act, military personnel may maintain a state of residence other than California and not pay state income tax. Also, the military family utilizes the major base commissaries and naval exchanges located on federal property where sales taxes are not collected.

Providing educational services for military dependents and others whose families are employed on federal property does create a burden on the local community. If all Category B students were funded at the current existing B entitlement, the school districts of the southern section of San Diego County would still not be comparable in wealth to those communities that have a majority of civilian rather than military employers.

In summary, Mr. Chairman, my congressional district is dominated by the federal government which owns a majority of the land and some of the most valuable properties. The federal government's activities are varied and necessary, but they do draw upon the community's services and I urge the Subcommittee to provide funding for impact aid.

Statement of the
Honorable Hank Brown
of Colorado
Before the
House Committee on Appropriations
Subcommittee on Labor-Health and Human Services-Education
April 26, 1990

Mr. Chairman, thank you for the opportunity to testify before the Subcommittee today.

During these times of budget constraints, Congress must exercise a high degree of fiscal prudence when making budgetary decisions. It is critical that we identify those programs that are of the highest priority to the nation. I believe that impact aid is a high priority program that deserves to be funded at its full authorization level.

The impact aid program deserves special attention because it is the federal government that has created the need for impact aid funding. P.L. 81-874 was enacted by Congress in 1950, and subsequently reauthorized in 1988 (P.L. 100-297) to ensure that the federal government reimburses school districts for revenues lost as a result of federal activities or acquisition of land. We have an obligation to follow through with this commitment by appropriating the full $835 million authorized for the impact aid program in FY 91.

Full funding of P.L. 81-874, Sections 2 and 3 is needed to ensure that our kids are not denied an adequate education because of federal activities. Section 3, "category a" students are generally recognized as having the most severe burden on a school district's ability to generate revenue. However, there has been skepticism as to the need for funding "category b."

Opponents to the "b" category claim that only some of the revenue sources for public education are affected, thus "category b" students, who reside on federal property, or who reside with a parent who works on federal propoerty, still contribute to public education because their parents pay local and state property tax and sales and income tax. P.L. 81-874 recognizes the difference in impact between "category a" and "category b" students by granting "b" students an entitlement of .25 cents for every $1.00 received by category "a" students. Thus, the differences in impact are contemplated by the law.

In addition, although all six revenue sources may not be disrupted by "category b" students, the financial structure supporting schools is thrown off balance, which results in the reduction of much needed educational services to all children.

Those who believe that "category b" should not be funded also claim that the loss of category "b" payments will not substantially affect most school districts. In the 4th Congressional District of Colorado, as well as throughout the state of Colorado, this clearly is not the case. In 1989, out of the 910 Section 3 students in the 4th District, 880 were category "b" students. In the same year, out of the 33,956

Section 3 students in Colorado, 29,496 were "category b" students.

"Category b" funding is crucial to the public school system in my district and the State of Colorado. I urge my colleagues to fund "category b" at its full authorization of $161.6 million.

It is also critical that Section 2 be funded at its full authorization level. As you know, Mr. Chairman, school districts are most severely burdened by the removal of land from their tax roles. For this reason, P.L. 81-874 provides that Section 2 be funded at 100% entitlement before any funds are allocated for Section 3 payments. However, the Department of Education anticipates that FY88 payments will be made at 78% of full entitlement, FY89 payments at 68% of entitlement, and FY90 payments at 67%. The section 2 districts in Colorado are having a difficult time educating our kids because the federal government is not fulfilling its responsibility to restore revenue lost as a result of federal acquisition of land.
In 1988, Colorado was the number one recipient of Section 2 funding in the nation. These funds are desperately needed in Colorado and in other states in which the federal government has acquired land.

I urge the Subcommittee to keep in mind the underfunding of Section 2 when it deliberates on appropriations for impact aid, and urge my colleagues to recommend that Section 2 receive the full FY91 authorization of $24.0 million.

Mr. Chairman, impact aid is not a reward. Impact aid is the means for the federal government to reimburse school districts for federal interference with the local collection of revenue. We must ensure that the spirit and letter of P.L. 81-874 is upheld by appropriating funds for Sections 2 and 3 at their full FY91 authorization levels. Thank you, Mr. Chairman.

STATEMENT OF CONGRESSMAN JERRY LEWIS

BEFORE THE SUBCOMMITTEE ON EDUCATION, LABOR AND HHS

COMMITTEE ON APPROPRIATIONS

Thursday, April 26, 1990

Mr. Chairman, members of the Subcommittee, once again, it is a pleasure for me to be here and have the opportunity to express my strong support for the Impact Aid Program. As one of impact aid's biggest supporters, I am here on behalf of the over 11,00 federally-connected students of the 35th congressional district. Indeed, I am here to urge this committee to recognize the Federal commitment made to those school districts educating students whose parents live and/or work on federal property.

Of particular concern, Mr. Chairman, is the decrease in funding that the Impact Aid Program has received over the past eight years. While I applaud President Bush's two percent increase in the Department of Education Fiscal year 1991 budget, I am very concerned about the call for a freeze on impact aid payments--payments which have not seen real growth in nearly a decade. The Federal government has made a commitment and I urge this committee to fully fund the $835 million that has been authorized.

In addition to expressing support for full funding of the Impact Aid program, I would like to highlight, as I did last year, my special concerns regarding Section 3(e) monies. As you know, Mr. Chairman, impact aid funding will be extremely important as we move towards implementation of the Base Closure and Realignment Act. The impact of that Act will not be felt any greater than in my congressional district. The closing of George And Norton Air Force Bases has serious financial implications for Silver Valley Unified, Adelanto, Victor Valley Unified and Victor Elementary. Without economic assistance through PL81-874 section 3(e) and 4(d), these schools cannot survive financially.

Adelanto School District, for example, is the most seriously affected of my school districts and as such stands to lose more than 61% of its enrollment as a result of the closure of George Air Force Base. It has been estimated that the District will be faced with an annual deficit of two million dollars. Although the closure of the base is expected to be completed over several years, Adelanto must address its future financial situation now.

While I understand that this issue is one that is not of immediate concern, the potential costs of Section 3(e) must be planned for and discussed today. Indeed, I am very pleased with the efforts of the National Association of Federally Impacted

TESTIMONY OF CONGRESSMAN JERRY LEWIS
April 26, 1990
Page Two

Schools and the Department of Education's Office of General Counsel to clarify Section 3(e). I understand that it has been agreed that a separate line item appropriation will be necessary for Section 3(e) to ensure funds for the provision without lessening the amount for the remaining section 3 (a) and (b) payments. I wholeheartedly endorse the interpretation because districts impacted by the closures will demand continued revenue until their budgets can absorb either the decreases or the increases in Average Daily Attendance. I am pleased that the Department of Education and hopefully this committee will recognize that these revenue demands must be separate from Section 3 (a) and (b).

In closing, and on this fortieth anniversary of the Impact Aid program, let us reaffirm the Federal commitment to impact aid by approving the full authorization of $835 million. Thank you again, Mr. Chairman, for your thoughtful consideration of these issues.

Testimony of
Congressman Charlie Rose
7th District, North Carolina

Hearing on Impact Aid
Appropriations Subcommittee on Labor, HHS and Education
2358 Rayburn

Thank you, Mr. Chairman, for allowing me to testify before your Subcommittee on funding for the Impact Aid program.

Mr. Chairman, I am here today representing nearly 18,000 students in southeastern North Carolina who attend federally-impacted schools. Seven different school systems in my Congressional District depend on Impact Aid money to supplement their local tax base. One of these school systems is in Cumberland County, which is home to Fort Bragg, the largest Army Base in the free world. Fort Bragg already covers more than 323 square miles, and there are plans to as much as double its size over the next several years. Troop reductions in Europe may further shift our military personnel and resources back to Fort Bragg and other US installations.

Taxpayers in Cumberland and other surrounding counties have made a strong commitment to the education of their children, but we all know there is a limit to the financial support they can provide. Two weeks ago, the state government in North Carolina announced that it was going to come up about $400 million short for the remainder of the fiscal year. School systems are being asked to help make up the difference right here at the end of the school year. State concerns aside, the current rate at which the federal government is compensating impacted schools is already putting a squeeze on their budgets. The Bush Administration wants to "tighten the screws" a little bit more by freezing outlays next year. This is totally unacceptable, and I want to strongly encourage you to fund this program at its authorized level.

Mr. Chairman, I want to conclude my remarks by saying a few words about the changing educational needs of our children. I know that your home state of Kentucky is involved in a massive effort to improve the performance of its schools. A similar restructuring program is underway in North Carolina. Mr. Chairman, federally impacted schools depend on the money we're talking about here today just to get through each school day. If we do not adequately support the baseline needs of these schools, we are effectively undermining their reform efforts. It is unrealistic to expect underfunded school systems to take the risks necessary to significantly improve education in our communities.

Mr. Chairman, on behalf of federally impacted schools and the students they serve, I offer my sincere thanks for your ongoing support.

# STATEMENT OF CONGRESSMAN BART GORDON
# BEFORE THE SUBCOMMITTEE ON LABOR,
# HEALTH AND HUMAN SERVICES AND EDUCATION

April 26, 1990

Mr. Chairman, thank you for the opportunity to submit testimony on the importance of funding for Section 2 of the Impact Aid Program.

Mr. Chairman, Section 2 is a program which provides assistance to those districts which have experienced a loss of 10% or more of the assessed value in their tax base as a result of federal property acquisition. For three federally impacted counties in the 6th District of Tennessee, entitlement payments from Section 2 of the Impact Aid Program are essential to the operation and maintenance of the public school systems.

The funding for Section 2 has not kept pace with entitlement obligations. In FY '87, all Section 2 districts were funded at 100% of their entitlement. However, the appropriation level fell in FY '88 and FY '89 to around 50% of entitlement. The FY '90 appropriation also was insufficient to adequately fund Section 2 districts.

Federal acquisition of properties in Clay, DeKalb and Pickett Counties in my Congressional District has placed a substantial and continuing financial burden on the local boards of education. The shortfalls in Impact Aid assistance have made it particularly difficult for these impacted counties to meet the needs of growing populations of school-age children.

Mr. Chairman, as local officials recently reminded me, Pickett County is officially classified as the poorest of Tennessee's 95 counties. The unemployment rate is above the state and national averages. The school system is largely dependent on state and federal funding. Local tax revenue was reduced by nearly 26% with the federal acquisition of 17,900 acres of land for the Dale Hollow Lake and Big South Fork Recreation Area.

In Clay County, the federal government acquired approximately 27,878 taxable acres for the Dale Hollow and Cordell Hull Reservoirs. These lost acres represent approximately 17% of the total acreage in Clay County and 26% of the County's tax base which generates revenue for public schools.

The situation in DeKalb County is much the same. Between 1942 and 1947, the federal government acquired approximately 38,062 acres of land for the Center Hill Reservoir. This is 22% of the total acreage of DeKalb County and represented a 24.7% loss in the tax base.

Mr. Chairman, Pickett, Clay and Dekalb Counties, like the other Section 2 districts, are struggling to maintain quality education for children in the face of increasing costs and declining Impact Aid assistance. They have been forced to reduce and eliminate important educational services and to force already strapped local communities to shoulder a greater funding burden.

The children in our nation's public schools today represent the future of our nation. In Tennessee, it is their education which will determine in large measure whether our state improves its per capita income and enlarges its industrial base. Their education will also determine whether communities improve the quality of life for Tennessee citizens.

Mr. Chairman, the funding for Section 2 entitlements is inadequate to meet the needs of districts which have been impacted the greatest by federal activities. It is my hope that we can fulfill the original commitment Congress made with Section 2.

Thank you, Mr. Chairman for the opportunity to testify on behalf of the Section 2 Counties in my District and for your support of the entire Impact Aid Program.

# TESTIMONY BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

**Hon. James L. Oberstar, M.C.**
**Eighth District, Minnesota**
**April 26, 1990**

MR. CHAIRMAN, it is indeed a pleasure to come before you once again to request that you and your colleagues "do the right thing" for programs in health, education, human services and programs for working men and women--areas of federal concern that address the most basic human needs of our society.

Late last year, as the Berlin Wall began to crumble and the Iron Curtain began to melt, we began to hear more and more the phrase "peace dividend." America had become weary of the Cold War, and as the Communist bloc began to dissolve, the government in Moscow began to liberalize, and the Soviet military threat began to diminish, Americans looked at our bloated defense budget and dreamed of the funds that would become available for long-underfunded domestic programs as we shrank our military down from its Cold War levels.

As a member of the House Budget Committee, I have looked long and hard for the "peace dividend." Unfortunately, Mr. Chairman, a windfall such as that anticipated by many Americans will not arrive in the next fiscal year. Even the most optimistic projections of defense spending cuts will not come close to offsetting the $36.5 billion dollars we must trim from our budget deficit under the Gramm-Rudman-Hollings law.

Therefore, I come before you today, as I have in years past, to ask you to maintain appropriations levels for significant human needs programs and make increases where you are able. In future years, I hope we will be able to provide you with a much larger authorization from which to draw these important appropriations.

EDUCATION

The FY 1991 budget package under consideration on the House floor today provides $48.7 billion in budget authority for education, training, employment and social services (Function 500). This figure includes a $2.5 billion real increase in budget authority and $0.30 billion in outlays for education programs, including increased funding for math and science education, vocational education, dropout prevention programs, compensatory education, handicapped education and Pell grants.

This modest increase in and of itself cannot make up for the decade of neglect our national education system has suffered. However, it does demonstrate that Congress has recognized the need to turn the nation's spending priorities away from wasteful military programs and toward investment in our human resources.

CHAPTER 1

Chapter 1 compensatory education programs focus on improving educational opportunities for disadvantaged children. The "Even Start" program integrates basic adult education for parents and early education programs for their preschool children, giving parents a chance to learn with their children, and likewise help their children learn. It also contains other provisions to encourage parental involvement, which I believe is the key to improving our nation's education system.

Chapter 1 also offers programs to improve the basic skills of high school students and provides funding for dropout prevention. If America is to compete on the world market, to meet the ever-intensifying challenge from foreign manufacturers, our workforce will need to master basic skills--reading, writing, basic math. Moreover, in a world of rapidly changing technology, American workers must develop the capacity to master new skills as they are needed. We will need a workforce skilled in the basics, and workers who have learned how to learn.

**The budget resolution assumes significant increases for this important program. The FY90 appropriation for this program is $5.368 billion. I respectfully request that this program continue to be funded at least at this level--adjusted for inflation--or at a level consistent with the increase assumed in the budget resolution.**

HEAD START

The House Budget Committee recommends an **increase of $600 million in budget authority and $300 million in outlays for Head Start programs in FY 1991.** (This is in addition to funds authorized for increased child care services contained in legislation now pending.)

This recommendation will bring Head Start services to an additional 171,000 children in 1991, and increase the percentage of eligible children served by Head Start by over one-third.

Mr. Chairman, Head Start is a program that makes a difference. Head Start has helped reduce drop-out rates, welfare dependence and criminal involvement among American families living in poverty. It helps break the poverty cycle by increasing the chances for employment and self-sufficiency. A $1.00 investment in Head Start produces a $6.00 dividend in lower special education costs, lower public assistance costs, lower costs of crime and higher worker productivity.

## LIBRARY SERVICES

Throughout our 50 states, in major urban centers, small towns and peaceful neighborhoods, public libraries quietly provide access to the world of information.

Libraries are where our dreams are stored and shared, where children first explore the secrets of the written word; libraries are the record-keepers of the daily life of our world.

In my state, Minnesota, nearly four million people make use of 343 public library buildings and 23 mobile units. Over 700,000 students are served by the 1,500 library media centers in the public schools. Academic, technical and specialized libraries serve thousands more readers daily.

Minnesota's public and academic libraries have more than 21 million items of information resources. With a single library card, Minnesotans can have access to the resources of public, school, college and university libraries throughout the state through the inter-library loan system.

In 1988, Minnesota's public libraries cost the taxpaying public just over $74.6 million. That is only $18.69 per person for the entire year, truly a bargain.

Local taxes fund the bulk of public library expenditures, but federal dollars play an important role in library operations. The Library Services and Construction Act provides money for the inter-library loan programs, bookmobiles, and specialized services for the blind, disabled and institutionalized persons. Titles II-A, II-B, and II-C of the Higher Education Act provide federal support for college and research libraries.

These programs demonstrate the strong commitment the federal government has made to our nation's libraries. Besides supporting important services, the federal dollars also act as a catalyst for further state and local funding.

PL 101-254, which was signed into law by President Bush on March 15, makes reauthorizes the Library Services and Construction Act (LSCA) for five more years and makes major programmatic changes in the program.

**In FY 1990, the appropriation for libraries under this act is $126.3 million. The new law does not make a specific authorization for this year and the President's budget does not request any funds for LSCA Titles I and II--the two largest programs for library facilities and improvements in the federal budget--in FY 1991.**

This cut means a loss of nearly **$100 million** to our nation's public libraries. In Minnesota alone, libraries will lose **$1.7** million in vitally needed federal funds. In my district in Northeastern Minnesota, this will mean a loss of funding for bookmobile services, which are the only link to the library for many rural and small-town residents.

To adequately support these needed functions, Mr. Chairman, I request the subcommittee--at minimum--maintain current levels of funding for library programs in FY 1991, with adequate adjustment for inflation.

JOB TRAINING AND DISLOCATED WORKER ASSISTANCE

After a disastrous eight years of economic depression, during which over 11,000 jobs in the taconite mining and processing industry were lost and the rate of unemployment usually doubled the national average, my district in Northeastern Minnesota has slowly begun to recover from a desperate economic situation. Although we still have a long way to go before prosperity returns to my region of the state, some progress has been made.

Many people in Northern Minnesota cannot afford the education and training necessary to land a new job and JTPA is the one program that provides these workers with the hope of returning to a productive life.

Based on current law, the Administration has requested $3.939 billion for JTPA in FY91. If pending legislation to reorganize the program is passed, the Administration would increase that request to $4.21 billion. Although I do not support efforts that would redirect JTPA funds to cities at the expense of rural areas--my district outside the city of Duluth would lose over half its funding under this proposal--I do support funding JTPA at the highest possible level.

Also, the budget resolution assumes $300 million in budget authority and $11 million in outlays for the Economic Dislocation Worker Adjustment Assistance Act (EDWAA) contained in JTPA Title III. This money will be needed to help relocate and retrain workers who are affected by the inevitable cutbacks in our military spending programs.

## RURAL HEALTH

The Eighth Congressional District of Minnesota covers nearly 25,000 square miles. If laid over the Eastern Seaboard, my district would stretch from Washington, D.C. to southern Connecticut, and encompass parts of six states. Many of my constituents live in small, isolated communities--many of them in wilderness areas--and are several hours away from urban medical centers. Rural health clinics are often the sole provider of medical care for hundreds of square miles.

The Cook County Community Clinic in Grand Marais is one such rural health care provider. The clinic serves an area of 1400 square miles and a population of 4,100. The majority of the land is publicly owned wilderness and marshlands. The local economy depends on tourism. It is a popular location for canoeing, hiking, fishing, camping and other outdoor activities. It is also a popular area for summer homes. The clinic provides vital medical services to both visitors and year-round residents.

For the past ten years, the clinic has received federal funding under the Community Health Centers program, Section 330. Without the CHC grant, the clinic could not continue to operate. The nearest health care facility is 50 miles from Grand Marais, and considerably further from other points in the county. The nearest hospital is 90 miles from Grand Marais. Loss of the clinic's services would have a major impact on the residents of the county.

The Cook County Community Clinic is just one of many such facilities serving small communities and rural populations in Minnesota and other states. Many of these clinics cannot stay open without the help of federal funding. **I urge the subcommittee to fund the Community Health Centers program at $500 million for fiscal year 1991, and I also strongly support the funding priorities that were presented to you by the Rural Health Care Coalition.**

# STATEMENT OF THE HONORABLE BYRON L. DORGAN
# BEFORE THE LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION SUBCOMMITTEE, COMMITTEE ON APPROPRIATIONS
# ON THE FEDERAL IMPACT AID PROGRAM

April 26, 1990

Mr. Chairman, I want to begin by thanking you for your past support of the Federal Impact Aid program. You have always been a friend to important educational programs like Impact Aid and I want you to know that those of us whose districts are affected by these programs appreciate your attention to these programs.

It seems to me Mr. Chairman that investing in education is among our nation's highest priorities. The Impact Aid program is a program that by definition is a federal responsibility. When this responsibility is neglected, financial burdens on local school districts pick up the slack and quality of education suffers.

I represent the entire state of North Dakota. Over 40 school districts in our state rely on Impact Aid funding to pay for a portion of the costs to educate children who come from either military families or Native American families. When the federal government fails to adequately pay local schools through the Impact Aid program, federal responsibility becomes a local burden. This is an issue of equity; local school districts should not have to subsidize federal responsibilities.

As you know, the Administration has proposed $646 million for Impact Aid for fiscal year 1991. This is a $86 million reduction from last year's levels. If this inadequate funding level is accepted by the Subcommittee, school districts that rely on Impact Aid will be receiving less than they received in fiscal year 1987. It seems to me that this is simply not fair and it would result in a deterioration in the quality of education to some our nation's most needy populations -- Native Americans. Indian children live in some of the poorest living conditions known to modern America. A proper education is for many the best opportunity that they have. Mr. Chairman, I simply want to reinforce the significance of the Impact Aid program for Native Americans. Our investment into the education of this population is not only a matter of fairness and equality; it is a matter of spending our money wisely.

I urge the Members of this Subcommittee to provide full funding for the Impact Aid program for the next fiscal year. This program has endured funding shortfalls for the past several years. It is time that we met our obligations and sufficiently supported this important program.

Thank you Mr. Chairman.

Larry E. Craig

CONGRESSMAN LARRY E. CRAIG
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HHS, EDUCATION
IMPACT AID
April 26, 1990

MR. CHAIRMAN, THANK YOU FOR THE OPPORTUNITY TO SUBMIT TESTIMONY TO YOUR SUBCOMMITTEE ONCE AGAIN -- YOU KNOW BY NOW THAT I AM A REGULAR VISITOR ON THE ISSUE OF FUNDING FOR IMPACT AID. I ASK THAT MY FULL STATEMENT BE MADE A PART OF THE RECORD.

WHEN THE U.S. CONGRESS PASSED PUBLIC LAW 81-874 IN 1950, IT RECOGNIZED THE NEED TO PROVIDE BASIC QUALITY EDUCATION TO CHILDREN WHOSE PARENTS LIVE AND/OR WORK ON FEDERAL LANDS. THESE FEDERALLY SECURED PROPERTIES ARE NOT TAXABLE BY LOCAL UNITS OF GOVERNMENT, AND THIS PREVENTS SCHOOL DISTRICTS FROM GENERATING REVENUE THROUGH PROPERTY TAXES.

THE EFFECT OF THIS TAX EXEMPTION HITS IDAHO SCHOOL DISTRICTS PARTICULARLY HARD BECAUSE MORE THAN 60 PERCENT OF THE STATE IS OWNED BY THE FEDERAL GOVERNMENT. IN MY OWN CONGRESSIONAL DISTRICT ALONE, THERE ARE 19 SCHOOL DISTRICTS WHICH ARE FEDERALLY IMPACTED, THUS QUALIFYING FOR IMPACT AID. THIS INCLUDES 759 "A" STUDENTS AND 1876 "B" STUDENTS, FOR A TOTAL OF OVER $1.3 MILLION IN AID.

WITHOUT THE IMPACT AID FUNDS, THESE STUDENTS WOULD BE DEPRIVED OF AN EDUCATION EQUAL TO THAT OF STUDENTS IN NEIGHBORING SCHOOLS. THE LOCAL PROPERTY TAX BASE SIMPLY WOULD NOT BE ABLE TO PROVIDE THE NECESSARY FUNDS FOR A BASIC EDUCATION. IN THE LAPWAI SCHOOL

DISTRICT, LOCATED IN NORTH CENTRAL IDAHO WITHIN THE BOUNDARIES OF THE NEZ PERCE INDIAN RESERVATION, OVER 50 PERCENT OF THE STUDENTS ARE NATIVE AMERICANS, AND OVER 70 PERCENT OF THE DISTRICT'S ENTIRE ENROLLMENT IS ELIGIBLE FOR FREE OR REDUCED LUNCHES. IMPACT AID THEREFORE REPRESENTS A SIGNIFICANT PORTION OF LAPWAI'S BUDGET.

MR. CHAIRMAN, THESE STUDENTS COULD BE REFERRED TO AS "AT RISK" CHILDREN. HOWEVER, BECAUSE OF IMPACT AID, THE LAPWAI SCHOOL DISTRICT IS ABLE TO PROVIDE THEM WITH A QUALITY EDUCATION. THEY HAVE SHOWN IMPROVEMENT OVER THEIR ENTERING FIRST GRADE SCORES, AND THAT IMPROVEMENT HAS CONTINUED AS THEY MOVE THROUGH HIGHER GRADES. THE DROPOUT RATE IN THE LAPWAI SCHOOLS IS ONE OF THE LOWEST IN THE NATION AMONG SCHOOLS WITH A SIGNIFICANT INDIAN POPULATION (20 PERCENT OR MORE). ACCORDING TO SCHOOL OFFICIALS, IT IS THE PL81-874 FUNDS, THAT ACCOUNTS FOR THE LAPWAI SCHOOL DISTRICT'S LOW DROPOUT RATE AND GRADUATION SUCCESS. LAPWAI IS ONLY ONE EXAMPLE OF THE IMPORTANCE OF IMPACT AID AND ITS POSITIVE EFFECTS IN IDAHO AND THROUGHOUT THE NATION.

THIS SUBCOMMITTEE IS WELL AWARE OF MY COMMITMENT TO REDUCE FEDERAL SPENDING AND TO BALANCE THE BUDGET. HOWEVER, IT IS ESSENTIAL THAT CONGRESS UNDERSTAND THE FUNDAMENTAL DIFFERENCE BETWEEN UNWARRANTED SPENDING PROGRAMS AND IMPACT AID. IMPACT AID

FUNDING IS NOT JUST GIVEN TO ANY SCHOOL DISTRICT -- RATHER, IT IS GIVEN TO LOCAL EDUCATIONAL AGENCIES WHICH ARE DEMONSTRABLY AFFECTED BY A FEDERAL PRESENCE. IMPACT AID IS COMPENSATION FOR FEDERAL USE, NOT ANOTHER FEDERAL GIVE-AWAY PROGRAM. THIS IS AN IMPORTANT DISTINCTION.

I HAVE ALWAYS BEEN A STRONG ADVOCATE OF STATE FUNDING FOR EDUCATION, BUT TO THE EXTENT THAT SUCH FUNDING IS HAMPERED BY FEDERAL ACTIVITIES, THE FEDERAL GOVERNMENT MUST COMPENSATE SCHOOL DISTRICTS IN THE FORM OF IMPACT AID. I AM CONVINCED THAT FAILURE TO FUND THIS PROGRAM TO THE FULLEST LEVEL POSSIBLE WOULD RESULT IN NOTHING LESS THAN BREAKING FAITH WITH THE AMERICAN PEOPLE. DESTROYING THIS UNDERSTANDING THAT HAS EXISTED FOR DECADES -- ONE THAT MANY SCHOOL DISTRICTS DEPEND UPON FOR SURVIVAL -- WOULD ENDANGER THE ADEQUATE EDUCATION OF OUR YOUTH.

IT IS FOR THESE REASONS I URGE THE SUBCOMMITTEE TO CONTINUE TO FULFILL THE FEDERAL GOVERNMENT'S OBLIGATION TO FEDERALLY IMPACTED SCHOOL DISTRICTS.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, THANK YOU VERY MUCH FOR YOUR TIME AND CONSIDERATION.

# TESTIMONY OF THE
# HONORABLE JIM BATES
# BEFORE THE SUBCOMMITTEE ON
# LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION

April 26, 1990

Thank you, Mr. Chairman, for giving me the opportunity to testify in support of Impact Aid. Impact Aid is extremely important to students in San Diego and has my complete support. At this time I would like to take a few moments to describe why Impact Aid is so vital to my district.

My congressional district covers a large section of urban San Diego. San Diego, despite the attractiveness of the climate and rapid recent growth, does not have what is considered a well funded school district. The large federal presence in San Diego results in the absence of large tracts of valuable property which would normally be included in the tax base of our community. This reduces San Diego's property tax base, while Proposition 13 and state decisions continue to limit school district revenues.

The San Diego Unified School District has one of the lowest revenues and lowest expenditures of the big city districts in California. Even with Impact Aid payments, the school district remains below the average expenditure of other urban areas.

In 1978-79 San Diego received $14.5 million in Impact Aid. The effect of Proposition 13, which limited local tax rates, and gradual reductions of Category "A" and "B" funding has dropped the district's share of Impact Aid in 1988-89 to $7.4 million. The losses were not replaced with state funding and from 1980 to 1988 the new school district had to reduce expenditures and programs by over $78 million.

This $78 million loss caused the school district to reduce many of the programs that served all students, but fell heaviest on those programs that provided extra assistance to students who had the greatest need. The school district's own compensatory education program that supplemented federal and state programs was eliminated, and reductions were made in maintenance and operations services for the entire district.

During this same ten year period, the school district's enrollment has grown steadily from 115,000 to 119,000 with 7.7 percent Indochinese refugee children who require intensive language and cultural instruction.

Even with the cuts caused by the severe reduction in the Federal government's share of school districts' income, federally-connected children continue to benefit from the programs that are offered in San Diego, including extensive Special Education service and more than 40 specialized magnet school options.

Impact Aid has never been a bonanza to the school district. In 1986 the estimated market value of the land occupied by the 15 major military installations was $2.5 billion, and in the intervening years property value has continued to increase in San Diego. While the federal government has been a major factor in the community, Impact Aid never reached more than 6% of the school district's budget. This year the projected percentage has declined to 1% of the district's budget -- and the district has no means of replacing the lost income.

I think the importance of this program is obvious. Students in San Diego and across the country depend on Impact Aid funds. Their educational needs demand these funds.

Mr. Chairman, the quality of the educational program we offer our children represents an investment in our nation's future. To ensure that our children receive the best education possible, I urge full funding of the Impact Aid program.

Thank you Mr. Chairman.

TESTIMONY

OF

THE HONORABLE JOEL HEFLEY

5TH DISTRICT - COlORADO

STATEMENT ON THE FEDERAL IMPACT AID PROGRAM, GIVEN BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, AND EDUCATION OF THE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN.

APRIL 26, 1990

MR. CHAIRMAN:

Thank you for allowing me to present testimony in support of the Impact Aid program and, specifically, on how the program affects the 5th District of Colorado.

As you know, Mr. Chairman, the United States Air Force Academy, Peterson Air Force Base and Fort Carson Army Base all reside in my district, affecting a total of nine school districts and nearly 17,000 children.

Impact aid is crucial to the vitality and success of these school districts. It is the federal government's responsibility to provide support to children who are in these schools because of the federal government. The local taxpayers alone, cannot be expected to absorb these costs.

Neither the parents nor the employer make any contribution to the school system's revenues through the local tax structure, therefore leaving a hollow gap that must be filled with federal funds.

Over the past three years, impact aid funding has steadily decreased, making the gap even larger. In 1989, schools in the 5th district were entitled to more than $14 million in federal impact aid payments, but received only $5 million. The $8 million difference is substantial, especially for districts such as the Fountain-Fort Carson district where 63% of the students are militarily connected.

In this particular school district's budget, including impact aid, cost per pupil is $3,955. Without it, there is a reduction of $700 available per pupil. In order to offset this, a mill levy increase of nearly $57 million is needed.

In the Air Force Academy school district, impact aid funding has been no more than 40% of entitlement for both "a" and "b" students in the past three years.

Section Two payments are critical for those districts who must compensate for lost property taxes. The Air Force Academy rests on 18 thousand acres of land and Peterson Air Force Base has 1,176 acres. Ft. Carson, in addition to its 137,391 acres, owns the Pinon Canyon Manuever Site, which lies on 235,093 acres. These are huge amounts of government owned land, that don't pay property taxes into the school system.

Without impact aid, the quality of education is truly jeopardized for students who attend impacted schools. Federally connected students are highly mobile, and often they enter school academically behind other students and are in need of assistance to get them up to speed.

Impact aid is designed to rectify such problems, however being partially funded, our schools are left to suffer the consequences.

I urge your subcommittee to fund the impact aid program to the fullest extent possible. Both "a" and "b" payments are crucial to the school districts in Colorado in order to maintain quality educational programs, staff and facilities.

Thank you Mr. Chairman.

BARBARA BOXER
6TH DISTRICT, CALIFORNIA

COMMITTEE ON THE BUDGET
HUMAN RESOURCES TASKFORCE CHAIRMAN

COMMITTEE ON GOVERNMENT OPERATIONS

SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

COMMITTEE ON ARMED SERVICES
(ON LEAVE)

MILITARY REFORM CAUCUS
CO-CHAIRMAN

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## TESTIMONY OF REPRESENTATIVE BARBARA BOXER BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HEALTH AND HUMAN SERVICES-EDUCATION

APRIL 26, 1990

Mr. Chairman, I appreciate the opportunity to submit testimony before the Subcommittee on impact aid, an issue which is vital to the schools in the 6th Congressional District of California.

My district has a number of federal installations including Mare Island Naval Shipyard, Hamilton Air Force Base, Golden Gate National Recreation Area, and the Army Presidio of San Francisco. Although these facilities and their federal employees provide incalculable assets to the district's economy and culture, they also have a negative impact upon the local tax base which is the life blood for the affected school districts.

Federal impact aid, as mandated in P.L. 81-874, is intended as payment to local school districts for the cost of educating the children of federal employees who are exempt from contributing local property taxes. The concept is simple and fair.

Yet, as we survey the history of Impact Aid payments, we find that the federal government has not lived up to its responsibility. The impact aid program has suffered over a 50% cut since it was founded in 1981. During the current fiscal year alone, the federal government is paying less than half of what it rightfully owes impacted schools.

In addition, impact aid funding for the various categories of recipients has been extremely erratic. The reductions in funding, coupled with these uncertainties, play havoc with school district budgets.

What does all of this mean to the school districts involved? Let me share just one example from my area with you.

The Novato Unified School District received just over $1 million dollars in 1981 to compensate for the 1500 students from Hamilton Air Force Base. In 1989, they were paid $700,000 for 1400 students. They were entitled to more than $2.6 million dollars!

As a consequence, the Novato school district has been forced to drastically curtail educational services during the past eight years. Four schools have closed, the teacher force has been reduced; class sizes have increased; major maintenance and capital improvement programs have been eliminated; and the list goes on. Mr. Chairman, there is no other funding source which can replace the loss of impact aid money.

I, for one, find the situation described quite disheartening. At a time when the current administration is calling for renewed emphasis on education, at a time when a record number of high school students are dropping out, and at a time when we are decrying the state of math and science curriculums, public school districts are being forced to reduce services and programs in order to accommodate the lack of necessary funding.

I present this example to make two points: 1) the impact of non-taxable federal lands on local school districts can be overwhelming, and 2) the federal government has a responsibility to compensate these school districts so that a federal presence in the community does not negatively affect quality education.

Mr. Chairman and Members of the Subcommittee, this issue is not a matter of how much we should cut. We have no right to reduce a fiscal obligation to local communities for the services they are providing our federal employees. That is why I urge you to set impact aid funding to at least the amount authorized in the law ($835 million). This action would place impact aid funding back on schedule.

In time, we should restore funding to impact aid that fairly reflects the fiscal impact that federal installations have on local educational institutions.

I ask that you keep fairness in mind as you give thoughtful consideration to the continued funding of impact aid.

Thank you very much for the opportunity to submit my statement.

Statement by
The Honorable Ronnie G. Flippo
Before the
Subcommittee on Labor, Health and
Human Services, and Education
of
The Committee on Appropriations
April 26, 1990

Thank you for the opportunity to present testimony in support of the federal impact aid program.

Since its establishment by Congress in 1950, the impact aid program has assisted school districts where federal ownership of property reduced local taxes and where federal activities generated an influx of persons into a community increasing school enrollment. The 81st Congress acted wisely in passing this legislation. The funding provided over the years through this program has been well spent by local school districts to offset the costs of providing a quality education to the dependents of federal employed workers and the military.

In my home state Alabama, there are 52,237 children who have parents employed by the federal government. In my district there are 13,797 impact aid students, and I can assure you that the factors that caused Congress to establish impact aid are still valid today. The federal presence in school districts throughout the country is still large, reducing local property tax rolls and imposing extra costs on educational programs. The impact aid program still provides a fair and necessary level of support to local communities for providing educational services required because of the location of federal activities.

The level of federal activities in North Alabama is small in comparison with other school districts throughout the country but they have a tremendous impact on local school districts. The Redstone Arsenal, home of the U.S. Army Missile Command, covers approximately 37,000 acres and includes within its borders NASA's Marshall Space Flight Center. These federal activities in North Alabama make a valuable contribution to the local economy. They are good neighbors and their contribution to the community is immense. We are proud of the contributions these programs make to the national defense and the space program. The level of federal activity in the area does, however, increase the cost of providing public education services.

The number of federal civilian and military dependents in both Category A and B amount to about 6903 in the Huntsville City School District alone. This imposes additional cost on the local taxpayer and warrants financial assistance from the federal government. In fact the impact aid assistance insures that the local school districts will be able to provide the quality education we should expect and demand for the children of the federal military and civilian work force.

Mr. Chairman, I commend you and the Members of your

Subcommittee for the strong support you have provided the impact aid program throughout the years and for your commitment to providing a quality education to all of the children of our country.

Thank you for providing me with this opportunity to express my support for the impact aid program.

# STATEMENT OF THE HONORABLE LEON E. PANETTA ON IMPACT AID TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

April 26, 1990

I would like to begin by expressing my appreciation to the Chairman and the entire Subcommittee for allowing me to submit a statement today on Fiscal Year 1991 appropriations for the P.L. 81-874 Impact Aid Program. In the past, I have had the pleasure of appearing before you or submitting statements on this important subject, and the Subcommittee has always been very supportive. Last year, I was delighted that the Subcommittee and the whole Congress voted to increase Impact Aid appropriations for FY 1990, for the "a" payment, over the FY 1989 level. The total Administration request for FY 1991 does include funding for disaster assistance and construction, however, the request is considerably lower than FY 1990 with a significant cut in funding of $71,498,000. It is my hope that the commitment by the Subcommittee, the Committee, the House, and Congress will ensure fully funded levels for FY 1991 for this important program.

Mr. Chairman, as you know, Impact Aid has been an essential portion of the federal budget each year since its inception in 1950. Through the passage of P.L. 81-874, Congress recognized the indisputable responsibility of the federal government to reimburse local school districts whose education budgets are severely constrained due to federal activities in their area. Today, the original rationale for the program is no less compelling than it was 39 years ago. In school districts which contain federal installations such as military bases, government facilities, and Indian reservations, federal land ownership decreases the amount of local tax revenues available to support the public education system. At the same time, these federal activities increase the number of children that the local education institutions must serve. Clearly, the federal government has an obligation to compensate these doubly burdened school districts.

Unfortunately, the previous Administration was not predisposed to meet this obligation, and the present Administration seems to have the same attitude in continuing this trend. In every budget proposal that he submitted to Congress, President Reagan attempted to cut funding or entirely eliminate some categories of this essential program. Since 1981, the Impact Aid appropriation has fallen far below both the levels intended in the original legislation and the actual cost of educating federally connected children. Beginning in FY 1982, Impact Aid payments declined by 38% from the FY 1981 level, largely as a result of the enactment of the Omnibus Budget Reconciliation Act of 1981. For FY 1983, the President requested an additional 34% cut, for a total two year reduction of $348 million. Fortunately, Congress provided a substantial increase in Impact Aid funding including a $60 million appropriation for construction.

In fiscal years 1984, 1985, 1986, 1987, 1989 and 1990, Congress again rejected the President's proposed reductions and continued on the path of restoring funding for the Impact Aid program. President Bush, counter to his pledge to be the "education President," requested only $25,000,000 for "b" students for FY 1990. This request would result in a funding level of $98,500,000 below that for FY 1990, and would run counter to the recent reauthorization of the full Impact Aid program in the School Improvement Amendments of 1988. Over the past ten years, the funding for the various categories has been inconsistent which makes budget planning extremely difficult.

Impact Aid is an entitlement program. The grants allocated to local school districts are payments for services rendered, not some unnecessary luxury that can be easily cut back in times of fiscal restraint. Each dollar cut from the Impact Aid budget represents an additional dollar that local school districts will have to find from already constrained budgets to pay for services requisitioned by the federal government. We have no more right to expect the more than 2,700 school districts receiving Impact Aid to subsidize the federal government in this manner than individual workers can expect the more than 2,700 school districts receiving Impact Aid to subsidize the federal government to excuse them from their tax obligations if they decide that they would rather not pay up in a given year. If the President's proposed cutbacks in Section 3(b) are enacted, the financial burden of educating nearly 1.7 million of the 2.0 million children served by Impact Aid would shift entirely to the states and localities. Just as the health care costs of the military personnel's children are borne by the federal government and not by local taxpayers, so it should be, and remain, with the educational burden placed on federally-impacted school districts.

To its credit, the Subcommittee has taken an important leadership role over a number of years in preventing the further transaction of the

Impact Aid program. On behalf of a number of federally-impacted school districts in my Congressional District, I would like to thank the Subcommittee for its continued far-sighted approach.

However, it is important to point out the constraints under which these school districts are operating. For example, the Monterey Peninsula Unified School District, a heavily impacted district in my area, has been especially hard hit in recent years, absorbing both the cutback in federal funds and reductions in state school contributions brought about by Proposition 13. Currently 300 districts in California alone depend upon the $65 million in impact aid funds to provide an adequate educational program.

As I mentioned, President Bush is continuing the policies of his predecessor by again proposing to eliminate funding for Section 3(b) children whose parents either live or work on federal property. The new Administration continues to claim that these children do not represent an actual burden to the school districts that educate them. Clearly, this is not the case.

Taking the Monterey Peninsula district as an example, one can easily identify a number of very significant ways in which the presence of federally connected installations increase the burden on local school districts and their permanent residents, even if the personnel do not live on federal property. A full 57% of the Monterey district's land is federally owned, and therefore no subject to taxation. At the same time, 52% of the district's students are military-related. While most school districts can rely on the revenue generated by both the residential and commercial property, this funding support does not exist for Monterey's B students. When the parents work on land that is exempt from property taxes, a very significant portion of the revenue base is eliminated. Without federal compensation, the burden on local residents can be doubled.

Moreover, even the military personnel who live off base do not pay taxes like other families in the community. The Soldiers and Sailors Relief Act allow them to maintain their legal residences in other states so that property taxes on automobiles and other personal property and state income taxes are paid to their home states and not where their children attend school. In addition, military families can use the PX and commissaries which are exempt from state sales tax. Clearly, the presence of these families presents a financial burden for local school districts that is not insignificant, as the Administration always contends.

In conclusion, let me reiterate that Impact Aid is a responsibility and an obligation of the federal government which should not be subject to compromise. As Chairman of the House Budget Committee, my first priority is to reduce and eliminate the large federal deficit that threatens many important programs. However, Impact Aid constitutes an obligation of the government, and the need to reduce the deficit does not remove this obligation. We must live up to the commitment we have made to our military personnel to provide their children with a quality education. We depend on local school districts to help us fulfill that commitment. They have lived up to their end of the bargain by welcoming federal employees and their children into their communities with open arms. We cannot turn our backs away on these districts. The federal government must be willing to shoulder its fair share of the burden. This Subcommittee has repeatedly demonstrated its willingness to meet that challenge. I hope and expect that it will continue to do so in the coming fiscal year.

REPRESENTATIVE MIKE DEWINE (OHIO - 7TH)
TESTIMONY ON IMPACT AID APPROPRIATIONS
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON LABOR, HHS & EDUCATION
APRIL 26, 1990

MR. CHAIRMAN, I FIRST WANT TO THANK YOU FOR GIVING ME THE OPPORTUNITY TO SPEAK ON BEHALF OF IMPACT AID APPROPRIATIONS FOR FISCAL YEAR 1991.

AS YOU KNOW, THE IMPACT AID PROGRAM, ADMINISTERED BY THE DEPARTMENT OF EDUCATION, PROVIDES ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES (LEAS) THAT ARE FINANCIALLY BURDENED BY FEDERAL OWNERSHIP OF LOCAL PROPERTY, PARTICULARLY MILITARY BASES. THE ABILITY OF LOCAL DISTRICTS TO GENERATE REVENUE TO SUPPORT THEIR PUBLIC SCHOOLS IS SEVERELY REDUCED BY THIS NON-TAXABLE, FEDERALLY OWNED PROPERTY. AS A RESULT OF THE LOCAL FEDERAL INSTALLATION, THE SCHOOL DISTRICTS ARE DENIED THIS TRADITIONAL SOURCE OF FUNDING. AT THE SAME TIME, THEY FACE THE FINANCIAL BURDEN OF AN INCREASED STUDENT POPULATION.

IMPACT AID IS THE FEDERAL GOVERNMENT'S ATTEMPT TO COMPENSATE SCHOOL DISTRICTS FOR THIS LOST REVENUE. FORTY YEARS AFTER ITS CREATION, IMPACT AID REMAINS ONE OF THE MOST CRITICAL SOURCES OF ASSISTANCE TO THESE DISTRICTS.

IN MY OWN DISTRICT, THE WRIGHT-PATTERSON AIR FORCE BASE HAS AN IMMENSE IMPACT ON THE FAIRBORN CITY SCHOOLS. OVER 43% OF THE STUDENTS AT FAIRBORN CITY SCHOOLS HAVE PARENTS WHO LIVE OR WORK, OR BOTH, AT WRIGHT-PATTERSON. AS A RESULT OF THE BASE'S TAX EXEMPT STATUS, FAIRBORN SCHOOLS LOSE A GREAT DEAL OF REVENUE THAT COULD OTHERWISE BE USED TO EDUCATE THESE CHILDREN. WE CAN NOT EXPECT FAIRBORN, AND OTHER SCHOOL DISTRICTS LIKE IT, TO ABSORB THE

SHORTFALLS WHICH WE HAVE CREATED. THE EDUCATIONAL OPPORTUNITIES THAT ARE ESSENTIAL IN TODAY'S SOCIETY SHOULD BE AVAILABLE TO ALL CHILDREN. IMPACT AID IS ONE WAY BY WHICH WE ENSURE THAT SCHOOL DISTRICTS RECEIVE THE ASSISTANCE THEY NEED TO PROPERLY EDUCATE THEIR STUDENTS.

IN RECENT YEARS, FAIRBORN HAS SUFFERED THE EFFECTS OF DECREASING CONTRIBUTIONS FROM IMPACT AID. IN 1989, FAIRBORN RECEIVED APPROXIMATELY 7.3% OF ITS TOTAL RECEIPTS FROM IMPACT AID, COMPARED TO 8.9% IN 1988. AT THE SAME TIME, HOWEVER, THE NUMBER OF FEDERALLY CONNECTED STUDENTS HAS REMAINED STABLE AT 43% OF TOTAL ENROLLMENT. TO MAKE MATTERS WORSE, EACH LOCAL TAXPAYER MUST PAY AN ADDITIONAL $880 TO COMPENSATE FOR THE STUDENTS LIVING ON THE WRIGHT-PATTERSON AIR FORCE BASE. WHILE THE CITIZENS OF FAIRBORN ARE STRONGLY IN FAVOR OF HIGHER EDUCATIONAL STANDARDS, THEY ARE SEVERELY LIMITED IN THEIR ABILITY TO FUND ESSENTIAL PROGRAMS. THUS, FAIRBORN IS SEVERELY RESTRICTED IN ITS ABILITY TO COMPETE ON THE SAME LEVEL WITH SCHOOL DISTRICTS IN OHIO THAT ARE NOT BURDENED BY FEDERAL INSTALLATIONS. THIS IS CONTRADICTORY TO OUR NATIONAL EDUCATIONAL GOALS. MORE IMPORTANTLY, IT IS SIMPLY UNFAIR TO THE STUDENTS IN THESE SCHOOL DISTRICTS. THE BOTTOM LINE IS THAT THE STUDENTS OF FAIRBORN AND WRIGHT-PATTERSON SUFFER.

THE FUTURE OF OUR COUNTRY IS OUR CHILDREN. IF WE INADEQUATELY FUND OUR EDUCATIONAL SYSTEM, WE JEOPARDIZE OUR CHILDREN AND ULTIMATELY THE FUTURE OF OUR COUNTRY. THEREFORE, IF WE ARE TO MAINTAIN OUR LONGSTANDING COMMITMENT TO EDUCATIONAL EXCELLENCE, WE MUST PROVIDE ADEQUATE FUNDING FOR THE IMPACT AID PROGRAM. I URGE MY COLLEAGUES ON THIS DISTINGUISHED PANEL TO PROVIDE SUFFICIENT FUNDING FOR THE IMPACT AID PROGRAM FOR FISCAL YEAR 1991.

THANK YOU.

CONGRESSMAN JOHN TANNER, (TN)
STATEMENT ON IMPACT AID

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I APPRECIATE THE OPPORTUNITY TO SUBMIT A STATEMENT FOR THE RECORD DURING YOUR IMPACT AID HEARING.

MR. CHAIRMAN, STEWART COUNTY IN WEST TENNESSEE HAS LOST 134,608 TAXABLE ACRES OF LAND TO THE FEDERAL GOVERNMENT. THIS LAND REPRESENTS 42% OF THE ENTIRE COUNTY. ACQUISITIONS BY THE FEDERAL GOVERNMENT INCLUDE FORT CAMPBELL, BARKLEY LAKE, CROSS CREEK WILDLIFE REFUGE, FORT DONELSON NATIONAL BATTLEFIELD, LAND BETWEEN THE LAKES, AND KENTUCKY LAKE.

PUBLIC LAW 81-874 REQUIRES THAT SECTION 2 BE FUNDED AT 100% ENTITLEMENT BEFORE FUNDS ARE ALLOCATED FOR SECTION 3 PAYMENTS. IT HAS BEEN SEVERAL YEARS SINCE STEWART COUNTY RECEIVED THEIR 100% ENTITLEMENT AND LAST YEAR THEY ONLY RECEIVED 80%. THIS OCCURRED ONLY AFTER I CONTACTED THE DEPARTMENT OF EDUCATION ON THEIR BEHALF.

THIS ADMINISTRATION WOULD LIKE TO BE KNOWN AS SUPPORTING EDUCATION. HOWEVER, WITHHOLDING 20% OF A SCHOOL DISTRICTS ENTITLED FUNDS IS NOT WHAT I CALL SUPPORTING EDUCATION. I WOULD LIKE TO GO ON RECORD AS SAYING THAT IF THE FEDERAL GOVERNMENT IS GOING TO CONTINUE TO TAKE LAND FROM OUR DISTRICT, THEY SHOULD COMPENSATE 100% FOR THE LOCAL REVENUE SOURCE IMBALANCE THIS CREATES AND FOR THE HIGHER TAX BURDEN THAT FALLS UPON LOCAL PROPERTY TAXPAYERS. LET US GIVE OUR SCHOOL ADMINISTRATORS THE MONEY THAT WAS PROMISED TO THEM SO THEY CAN CONTINUE TO EDUCATE OUR LEADERS OF TOMORROW.

## STATEMENT OF REP. SHERWOOD BOEHLERT (R-NY)
## LABOR-HHS-EDUCATION APPROPRIATIONS SUBCOMMITTEE
## IMPACT AID APPROPRIATIONS
April 26, 1990

Mr. Chairman, I greatly appreciate the opportunity to present my testimony on the subject of Impact Aid. Simply put, the Impact Aid program is not a federal handout, but a federal obligation, and should be treated fairly in the appropriations process.

I firmly believe that to balance the nation's books, we must continue to look for ways to cut government spending. But we shouldn't be victims of a "budget-cutting-at-all-costs" mentality. Some programs actually represent a legitimate government obligation, and they make good cost-effective sense for the people of the country. Impact Aid is one of those programs.

Impact Aid represents a federal obligation to compensate school districts that lose revenues because the federal government has taken property off the tax rolls, or provided various tax preferences for federal personnel in the area. It is unreasonable for the federal government to impose upon a local jurisdiction without helping to pay for the costs it brings. Without Impact Aid, or if aid is significantly reduced, the local taxpayers--many of whom are senior citizens on fixed incomes--must pay a heavier burden of taxes to support public education. That is unacceptable.

Griffiss Air force Base, in the city of Rome, New York, is responsible for the air defense of the entire Northeastern United States. Rome Air Development Center is the Air Force's largest laboratory. Because of these federal installations, there are thousands of children in the Rome City School District whose parents pay significantly less in local taxes than many of their neighbors in the community.

If the Impact Aid program was drastically reduced again, then either the public schools would be crippled in their ability to provide a decent education to our kids, or the local taxpayers would have to subsidize their neighbors to an even greater extent. The only other alternative, putting these "federally-connected" children in military base schools, is also expensive to taxpayers. In that respect, Impact Aid is a very cost-effective program.

In any case, even as we are cutting government spending, we must not forget our responsibilities. Our local families cannot refuse to pay their bills just because they come up a little short at the end of the month, and neither can we. Mr. Chairman, I strongly urge my colleagues of this subcommittee to remember the merits of the Impact Aid program, and treat it fairly in the appropriations process.

Mr. Chairman, I would also like to ask permission to insert into the record some statistics provided to me by Sandra L. Lockwood, the President of the Board of Education for the Rome City School District. These numbers provide hard evidence of the adverse effect past years' cuts have had on the school district.

Thank you.

# IMPACT AID CONCERNS AND STATISTICS
## ROME CITY SCHOOL DISTRICT
April 3, 1990

## Numbers Information

1. In the 1978-79 school year, this district received almost two million dollars of Impact Aid which represented almost 10% of that year's budget. Recently, Impact Aid has averaged about one and one-half million dollars, which represents less than 3.4% of the current year's budget. While the costs of education have continued to increase at an above average inflationary rate, the Impact Aid Program has either suffered decreases or has been increased at less than increasing educational cost rates.

2. Per pupil costs for the 1988-89 school year were $5,380, while Impact Aid for regular "a" students was $1,279 and for our Super "b's" it is only $300 (regular "b'"s, about $87.). Since 1978-79 the local tax rate has gone from $26.66 to $70.51, an increase of 164%. A major part of this increased local tax burden can be traced, in general, to the reductions in Impact Aid, and, more specifically, to the major reductions in aid for regular "a" and category "b" students.

3. In regard to the above, it should be noted there has been some minor decrease in the district's pupil numbers. However, the decrease has not been as much in the impact aid portion of the student body as in the general population. Therefore, although the federally-related student numbers have shown some decrease (mainly in "a" category), the total enrollment has decreased sufficiently so that there is now a larger percentage of federally related students than there was in 1978-79. As the percentage of federal support has diminished, the percentage of federally-related pupils has increased.

| Year | Enrollment | "a's"% | "b's"/% |
|---|---|---|---|
| 1978-79 | 9,473 | 1,014 (10.7%) | 1,690 (17.8%) |
| 1989-90 | 7,892 | 862 (10.9%) | 1,635 (20.7%). |

The information above represents the traditional arguments in favor of Impact Aid. Our organization, the National Association of Federally Impacted Schools (NAFIS), is urging a new approach. That approach is to identify the types of students the program serves and special needs or problems they may have. The BARA (an acronym for "B" And Regular "A") committee of NAFIS has just concluded surveying the "b" districts of NAFIS. A copy of that survey is enclosed, and some of the more significant statistics follow:

## People Information

A. The district has 54 students who are in the state aid category "high-cost students with handicapping conditions". Eighteen of these students are federally-related - eleven military, seven civilian. These numbers are "b" students only - "a" student aid is not assumed to be in imminent danger of elimination and is not addressed by the survey.

B. The "high-cost" federally-related students described in "A" above generate the following one year costs to educate:

1. A deaf student's program costs $35,453.
2. A blind student's program costs $29,623.
3. A multiply handicapped student's program costs $17,400.
4. Costs for mentally retarded and emotionally disturbed students range from $11,000 to $26,000.

C. For each of these students the district expects to receive $772 based upon receipts for handicapped "b" students in fiscal year 1989. That figure does not begin to cover the balance of cost remaining after state handicapped aid, which requires local taxpayers to make up the difference.

D. Rome City School District is a magnet school to handicapped students because of the outstanding program it operates for handicapped students of any type. In addition, the City of Rome is the "home" of the New York State School for the Deaf and it is, therefore, a magnet for deaf children throughout the state. Many Air Force families having handicapped children request assignment at Griffiss Air Force Base to take advantage of the district's exemplary handicapped program.

E. The following is a profile of the category "b" students in the district:

Of the 1,635 students in category "b":

1. 231 (14%) require special guidance services.
2. 227 (13.9%) were not in the district one year ago.
3. 221 (13.5%) are Chapter I eligible (need remedial education).
4. 202 (12.4%) are handicapped and require special programs.
5. 191 (11.7%) are from a single parent family.

Lesser numbers are having attendance problems, or are limited English speaking, and represent other educational problems.

## Goals

1. Preserve continued aid to ALL category "b" students - not just low-rent housing students as President Bush recommends.

2. IF additional funding is made available to education, the FY91 authorization for PL-874 should be appropriated at $835 million, or as close as possible thereto.

3. IF additional educational funds are not made available, Impact Aid Programs should be increased at a minimum of 7% which is the average annual increase for educational costs. Since Impact Aid has been decreased while other programs were significantly increased, it is deserving of this special treatment.

4. Costs of base closings should come from the savings from closing those bases. The cost to a school district to "close-out" portions of their operation attributable to the federal impact should not come from the Impact Aid Program. The program should provide aid for educating students - not closing bases.

5. There is presently a cap which does not allow increased students in the Super "b" category to be aided. This cap should be removed because this district and others are seeing increases in "b" students which are not being aided.

NATIONAL ASSOCIATION OF FEDERALLY IMPACTED SCHOOLS

## BARA COMMITTEE

Survey of characteristics of category "b" students
(Use statistics from the most recent year available)

PLEASE COMPLETE THE FOLLOWING INFORMATION:

Name of School District: Rome City School District
City, State: Rome, New York
Zip Code: 13440
874 Representative & Title: Cynthia M. Yager, District Treasurer
Phone: ( 315 ) 336-0383, Ext. 160

District: ADA 7,396 # of fed connected 2,497 % impacted 31.6
Percent of: "a" 10.9 Military "b" 9.6 Civilian "b" 9.0 LRH 1.4
State's average per pupil expenditure: $ (Ours was 5,374 for 88-89) (Not available on a current basis - State Education Dept. is best source)

Please supply the appropriate data in columns provided below ("b" students only):

| | Military | Civilian | LRH | District total |
|---|---|---|---|---|
| 1) Total # of students in category: | 815 | 707 | 113 | 1.635 |
| 2) Total # of students who:<br>a) Are on free or reduced lunches | 147 | 103 | 93 | 343 |
| b) Are in Special Ed (any category) | 92 | 79 | 31 | 202 |
| c) Are a year or more behind in reading | 68 | 64 | 24 | 156 |
| d) Are from a single parent family | 58 | 106 | 27 | 191 |
| e) Are having attendance problems* | 18 | 23 | 10 | 51 |
| f) Need special guidance services* | 101 | 89 | 41 | 231 |
| g) Were not in district this time one year ago | 143 | 58 | 26 | 227 |
| h) Are limited English speaking | 3 | 2 | 0 | 5 |
| i) Are Chapter 1 eligible in Chapter 1 schools | 69 | 81 | 28 | 178 |
| j) Chapter 1 eligible & not in Chapter 1 schools | 17 | 6 | 0 | 23 |

(*) Use your definition. If the standard used above, such as "year or more behind in reading," is not used in your district please use your similar local standard and modify this form.

Please return the completed form by FEBRUARY 1, 1990 to:
Dr. Vernon McAllister, P.O. Box 10630, Midwest City, Oklahoma 73140. Phone: (405)737-4461.

JOSEPH I. LIEBERMAN
CONNECTICUT

COMMITTEES
ENVIRONMENT AND PUBLIC WORKS
GOVERNMENTAL AFFAIRS
SMALL BUSINESS

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WASHINGTON, DC 20510

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## TESTIMONY OF SENATOR JOSEPH I. LIEBERMAN SUBMITTED TO THE HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS, SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION

APRIL 26, 1990

Mr. Chairman, Members of the Subcommittee, I am pleased to submit this testimony in support of a program which is very important to the children of our military families, Impact Aid.

The Impact Aid program provides critical federal funds to those school districts which serve children whose parents live and/or work on federal property. Communities with large numbers of federally-connected children do not receive tax dollars from their families to support their education. Instead, these communities must rely on on federal funds to replace lost local taxes and to ensure that all the children in the school district are given a quality education.

In Groton, Connecticut 46% of the students are federally-connected. These students, who often arrive during the school year, need special services to facilitate their adjustment to a new school and a new community. Groton makes direct contact with the school the child will be transferring from and teams of diagnostic school specialists evaluate the child's educational background to ensure that without any delay the child is placed in the proper reading group, the proper math group, and with the proper teacher. Both parents and students have found that the speed with which the child is settled into a new class makes the adjustment to a new school, new home, and new friends much easier.

Groton has an ever-increasing number of impact aid students. One elementary school has almost a one hundred percent turnover in students in a single year because families are transferred in and out with such frequency. Programs to assist these students and ensure that they receive the quality education to which they are entitled cost money. Because of the cap on impact aid funds and the fact that the program has not kept pace with the number of impact aid students, this year Groton will experience a $1,621 shortfall per impact aid student. The town must make up this estimated $3.8 million shortfall out of its own revenue. This burden may force Groton, and towns like it, to reduce the quality of education it provides for all its students.

As a nation we have duty to ensure that the children of military families receive quality educations and that local school districts do not go broke trying to provide them with quality education. I urge both the House and Senate Appropriations Committees to provide the Impact Aid program with an increase in funds in fiscal 1991. The authorized amount is $835 million, as opposed to the $660 million proposed by the Administration, and I believe this authorized amount is an appropriate target for this year.

Impact aid funds pay for basic education. They are critical for ensuring that the children of members of the armed forces receive a quality education wherever they are based. We must guarantee that each school district will receive sufficient funds for each federally-connected child in their classrooms.

Mr. Chairman, thank you for allowing me to submit a statement on this important issue. I look forward to working with you to ensure adquate funding for the Impact Aid program.

# TESTIMONY OF THE HONORABLE RONALD K. MACHTLEY
# ON THE FEDERAL IMPACT AID PROGRAM
# BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, AND EDUCATION OF THE HOUSE APPROPRIATIONS COMMITTEE

MR. CHAIRMAN, THANK YOU FOR ALLOWING ME TO PRESENT TESTIMONY IN SUPPORT OF THE IMPACT AID PROGRAM, ESPECIALLY AS IT AFFECTS MY CONGRESSIONAL DISTRICT IN RHODE ISLAND.

MR. CHAIRMAN, THE U.S. NAVY OPERATES A MAJOR FACILITY IN NEWPORT, RHODE ISLAND, THE NAVAL EDUCATION AND TRAINING CENTER (NETC). THE NAVY SCHOOLS AT OUR BASE TRAIN NEARLY 40 PERCENT OF ALL OFFICERS ENTERING THE NAVAL SERVICE EACH YEAR, MAKING NETC THE LARGEST SINGLE POINT FOR OFFICER ACCESSION IN THE NAVY. NETC IS ALSO HOME TO THE NAVAL WAR COLLEGE AND THE NAVAL UNDERWATER SYSTEMS CENTER, AND IS HOMEPORT TO SEVERAL ACTIVE AND RESERVE SURFACE SHIPS.

THE IMPACT OF NETC ON OUR LOCAL COMMUNITY CAN BE SEEN EVERYWHERE. THE 11,463 MILITARY PERSONNEL, FULL-TIME CIVILIANS AND STUDENTS AT THE BASE ARE AN IMPORTANT PART OF THE AQUIDNECK ISLAND ECONOMY AND COMMUNITIES, AS ARE THEIR CHILDREN WHO ATTEND OUR LOCAL SCHOOLS. WHILE THE LAND ON WHICH NETC SITS IS LIKELY WORTH MILLIONS OF DOLLARS, LOCAL SCHOOL DISTRICTS DO NOT COLLECT TAXES ON IT.

THE SCHOOL DISTRICT OF MIDDLETOWN, RHODE ISLAND IS ONE WHICH IS GREATLY AFFECTED BY THE PRESENCE OF NETC. WHILE FEDERAL IMPACT AID PAYMENTS TO MIDDLETOWN TOTALED SOME $1.8 MILLION IN 1989, THE PAYMENT REQUIRED TO PROVIDE THE TOWN'S STUDENTS WITH AN ADEQUATE EDUCATION BASED ON STATE PER PUPIL COST IS NEARLY $3.9 MILLION. THUS, THE SHORTFALL BETWEEN THE COST OF EDUCATING THESE CHILDREN AND

THE FEDERAL PAYMENT COMES TO AROUND $2 BILLION. IN SHORT, THE FEDERAL GOVERNMENT IS NOT PAYING THE COST OF EDUCATING CHILDREN WHO ARE THERE BECAUSE OF NETC AND WHOSE PARENTS MAKE NO CONTRIBUTION TO THE LOCAL PROPERTY TAX BASE AND, IMPLICITLY, TO THE COST OF THEIR CHILD'S EDUCATION.

MR. CHAIRMAN, WE SHOULD KEEP IN MIND THAT THE TAXPAYERS OF OUR SCHOOL DISTRICTS PAY THEIR SHARE OF THE BILL TO EDUCATE STUDENTS OF MIDDLETOWN AND OTHER PUBLIC SCHOOLS. BECAUSE OF THE FUNDING SHORTFALLS CAUSED BY THE DECREASE IN IMPACT AID OVER THE PAST THREE YEARS, OUR SCHOOL BOARDS MAY BE FORCED TO ADOPT A NUMBER OF PROGRAM REDUCTIONS. THERE IS JUST NO OTHER FUNDING SOURCE WHICH CAN REPLACE THE LOSS OF IMPACT AID MONEY.

INCREASES IN THE NUMBERS OF FEDERALLY-CONNECTED STUDENTS HAVE ALSO HAD THEIR EFFECT. IN MIDDLETOWN, FOR EXAMPLE, SCHOOLS HAVE FOUND THEMSELVES IN SOMEWHAT OF A CRISIS SITUATION, BEING FORCED TO HOLD CLASSES IN CAFETERIAS. APPROPRIATE LEVELS OF FEDERAL IMPACT AID WOULD GREATLY MITIGATE THIS KIND OF UNFORTUNATE SITUATION.

ULTIMATELY, THE ISSUE IS ONE OF EQUITY. RHODE ISLAND'S LOCAL GOVERNMENTS, QUITE LEGITIMATELY, VIEW CHILDREN OF NAVAL PERSONNEL AS A FEDERAL RESPONSIBILITY. THE CHILDREN ARE IN THEIR SCHOOLS BECAUSE OF THE NAVY, AND NEITHER THE PARENTS NOR THE EMPLOYER MAKE ANY CONTRIBUTION TO THE SCHOOL SYSTEM'S REVENUES THROUGH THE LOCAL TAX STRUCTURE. IMPACT AID IS SUPPOSED TO RECTIFY THIS PROBLEM, BUT THE FEDERAL GOVERNMENT IS SHIRKING FROM ITS RESPONSIBILITY BY REFUSING TO PAY ITS FAIR SHARE OF THE BILL, SOME $2 MILLION LESS THAN IT SHOULD IN MIDDLETOWN ALONE.

MR. CHAIRMAN, IN CLOSING I WOULD URGE THAT YOUR SUBCOMMITTEE FUND THE IMPACT AID PROGRAM TO THE MAXIMUM EXTENT POSSIBLE. THE LOCAL TAXPAYER'S ABILITY TO SUBSIDIZE THE EDUCATION OF NAVY CONNECTED CHILDREN IS FINITE, AND IF IMPACT AID IS REDUCED FURTHER, OUR SCHOOLS WILL BE FORCED TO CUT STAFF AND TAKE OTHER MEASURES THAT WILL SUBSTANTIALLY LOWER THE QUALITY OF EDUCATION FOR ALL STUDENTS.

THANK YOU MR. CHAIRMAN.

# STATEMENT OF
# CONGRESSMAN WES WATKINS

On

The Impact Aid Program

BEFORE THE
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES
of the
COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

April 26, 1990

Mr. Chairman and distinguished members of the Subcommittee,

Thank you for allowing me the opportunity to testify before you today in support of the federal Impact Aid program. This program is vitally important to education in our nation's public schools, and is vitally important to the future of each student served by the program.

As a member of the Appropriations Committee, I am well aware of the budgetary constraints which face our nation today and the difficult decisions which face you. Yet, it is with deep concern about the future of this program in meeting the needs of students that I urge my colleagues on the Subcommittee to fund the program at the maximum level possible in fiscal 1991.

Let me say for the record that I am in total opposition to the President's budget proposal to freeze funding for Impact Aid "A" children and section 2 payments and to reduce funds for "B" children by $98.5 million or 80 percent. I cannot support such an effort to drastically slash funding to any education program in our nation.

Mr. Chairman, there is hardly any area in my district which does not have a school district participating in the Impact Aid program. In fact, throughout the State of Oklahoma, many schools are either impacted by the Federal Government or have a large number of students enrolled who reside on Indian trust land. For example, Oklahoma has 59 Section 2 districts, which is the largest number in the United States. To say the program is vital to the educational base of the State is an understatement.

The Impact Aid program in general, and specifically the category "B" program, has suffered in terms of federal financial support throughout the 1980s. In real dollars, funding for category "B" has been reduced by over two-thirds since the early 1980s. We must realize that this trend in funding has not only affected assistance to school districts, but to school children.

Funding of the Impact Aid program way below its authorized level has undercut the schools' ability to offer an educational program that meets the needs of the students the program is designed to serve.

For example, when referring to students residing on Federal trust land -- which the State of Oklahoma has one of the largest populations of Native Americans in our nation -- the amount received per student from Impact Aid represents an estimated $1800 per student. This may sound like alot, yet when comparing this amount with what is provided through the Bureau of Indian Affairs program, the Indian Student Equalization Program (formula), which is approximately $2600 per student, the shortfall speaks for itself.

Again, I realize budgetary constraints may preclude us from increasing the program to an equal level of aid per student. Yet, I am asking that the impact aid formula be funded at a level which would at least insure school districts an amount per student which exceeds the amount received in Fiscal Year 1987.

Mr. Chairman, the time is at hand to turn the tide on Impact Aid funding. Our students deserve to receive the maximum amount of federal support possible in the next fiscal year. You have my full support as a member of the Appropriations Committee in working to reach this goal.

I thank the Subcommittee for allowing me this opportunity to express my support for the Impact Aid Program.

# TESTIMONY PRESENTED TO

SUBCOMMITTEE ON LABOR, HEALTH AND
HUMAN SERVICES, EDUCATION

OF THE

HOUSE COMMITTEE ON APPROPRIATIONS

PERTAINING TO FUNDING OF P.L. 874, "IMPACT AID"

FOR FISCAL YEAR 1991

BY

THE HON. ALBERT G. BUSTAMANTE

23rd Congressional District

Texas

April 26, 1990

Chairman Natcher, Mr. Conte, Members of the Subcommittee, it is a pleasure for me to present this statement for the Record on funding for the Impact Aid Program for Fiscal Year 1991. San Antonio is proud to host five military installations within its borders. So as you can well understand, the Impact Aid Program provides important financial assistance to many of San Antonio's school districts that are impacted by this military presence. Because the per pupil payments under the impact aid program have declined since Fiscal Year 1987, I would hope that this Subcommittee will recommend funding the Impact Aid Program at its full authorization level of $835 million.

Funding Impact Aid at its full authorization would allow payments for Category "a" students to rise above the FY 1987 holdharmless level; WAVE I would be implemented for "a" payments for the first time under the School Improvement Act of 1988; Regular "b" payments would reach full WAVE I entitlement; Super "b" payments would reach WAVE II, thereby removing the cap which still holds Super "b" payments at a level not to exceed what was received in total Super "b" payments in FY '87. San Antonio has 15 school districts, and a full authorization of Impact Aid will greatly enhance their ability to educate the 11,000 federally-connected students.

I would like to address a unique situation concerning 3 school districts in San Antonio: Fort Sam Houston, Lackland, and Randolph Field independent school districts. These school districts are commonly referred to as "coterminous" school districts. That is, boundaries of the school districts are the same as the military installations they serve. Whereas school districts receiving Impact Aid assistance have a local tax base, coterminous school districts do not. They are entirely dependent on Impact Aid payments and state aid for their operating costs.

Since 1987, the Impact Aid portion of these school districts have been shrnking. Their level of funding for Fiscal Year 1990 and projected level of funding for Fiscal Year 1991 is lower that they received in FY 1986.

As a consequence of this funding shortfall, Fort Sam Houston ISD has cut 14 personnel positions and is making arrangements to borrow enough money to get through the month of May 1991. Fort Sam will be unable to meet obligations of salaries, utilities, etc. for the months of June, July and August without some additional source of revenue. These last three months of the school year is when repairs and replacements are made in addition to paying the remainder of teacher's contracts.

Randolph Field ISD has cut 33 personnel positions in order to keep from closing its doors. The reductions will jeopardize the quality of education for the dependents of military personnel stationed at Randolph Air Force Base.

Lackland ISD's revenues have been sufficient to cover expenditures up to this point, but it is projected to experience a deficit for the 1990-91 school year.

To remedy the situation, it is necessary to reexamine the funding formula contained in the "Coterminous Agency Rule" under the School Improvement Act of 1988. Additionally, it is necessary to convince the Department of Defense to provide funds for Section 306 of the Fiscal Year 1990 Defense Authorization Bill. Section 306 implements a provision contained in the impact aid 1988 reauthorization which permits DoD to provide supplemental funding for heavily impacted military districts. Section 306 authorized the Defense Department to provide up to $10 million in supplemental funding assistance. Because it failed to get a special appropriation to fund this provision, the DoD has refused to provide the supplemental assistance. I intend to work with my colleagues from the state of Texas and on the appropriations committees in the House and Senate to appropriate the funds necessary to enable DoD to exercise its authority.

Mr. Chairman, without additional funds, the ability of these school districts to deliver educational services at current levels will be seriously impaired. In fact, administrators at Fort Sam Houston ISD have advised that their ability to remain open for the next school year is highly questionable. My requests to the Department of Defense to exercise its authority to provide supplemental funding have been denied. DoD maintains that it is not a problem that falls under its jurisdiction. It is rather a matter belonging to the Department of Education. The Department of Education, on the other hand, says if the schools need additional assistance, the funding should come from the Department of Defense. These schools have fallen into an unescapable trap of interagency, political ping pong. Both departments have jockeyed themselves into the position of deniability by claiming that it is the other agency which is accountable for the problem. I believe it is necessary to create a forum whereby the Defense and Education departments will be both held equally accountable for the education military dependents. At this point, no such entity exists; therefore, no one is willing to be accountable for the problem.

Mr. Chairman, Members of the Subcommittee, many of the issues I have raised are authorization matters or fall under the jurisdiction of another subcommittee of the House Appropriations Committee. These problems will have to be worked out elsewhere; however, this Subcommittee can take a big step toward mitigating the problems concerning coterminous school districts by funding Impact Aid at its full authorization level.

Again, thank you, Mr. Chairman, for providing me the opportunity to submit this statement for the Record.

Statement of

CONGRESSMAN JERRY COSTELLO

In Support of Impact Aid

Subcommittee on Labor - Health and Human Services - Education
April 26, 1990

Mr. Chairman and members of the Committee, thank you for the opportunity to present testimony today in support of full funding for Impact Aid. As you know, the amount authorized for fiscal year 1991 is $835,000,000.

My Congressional district, the 21st district of Illinois, along with districts 10 and 15, receive nearly 90% of the Impact Aid money in Illinois. Of the 16 school districts in Illinois which are classified as Super B, nine are in my Congressional district. These nine school districts serve students of parents assigned to serve at Scott Air Force Base, home of the Military Airlift Command and the Military Transportation Command.

The students who live on Scott Air Force Base are served by Mascoutah Community Unit School District #19. Mascoutah school district is heavily federally impacted; 67% of its students are federally connected and 57% of the student body are residents of Scott - "A" students.

The local source of revenue used to provide education of "A" students is and has been Impact Aid; this has been recognized by the federal government since 1950. However, in recent years, the monies appropriated by Congress have been insufficient to fully fund the entitlement level for each "A" student. As an example, the operating cost per student for Mascoutah School District in FY '85 was $3,103 per year, while the Impact Aid per student was $1,536 per year. This constitutes about a 50% ratio. However, for FY '89, the operating cost per student was about $4,056 per year while the Impact Aid for each "A" student was $1,467. The level of support for each student dropped to 36%. The Impact Aid payments to heavily impacted school districts have been a proration of entitlement since 1985.

Beginning with the 1988-89 school year, Mascoutah School District has frozen the purchase of any new equipment such as school buses and most buiding repairs, except those which have constituted an emergency. Effective with the current school year, 1989-90, approximately $350,000 in payroll costs were cut through staff reductions, including teachers and support personnel. During this time period the District's operating cost per student was approximately $250 below the state average.

Further, the District has assessed an increase of nearly 24% in local taxes payable in 1990. However, this will only generate about $300,000, which when compared to a total annual expenditure of $13 million constitutes a very small increase in revenues. The revenue generated locally is about 10% of the District's total revenues, while the revenue from Impact Aid is nearly 23%.

The students who are dependents of military personnel stationed at Scott are an educational asset to the Mascoutah school system. Without these students Mascoutah School District would not be able to provide many of the opportunities currently offered to our young people. Even with the cuts which have been made, the cost of education is increasing at a rate of 6.5% per year. I feel this will have an effect on the quality of education of the federally impacted students in my Congressional district as well as the quality of life of these military families.

In summary, I would like to reiterate my feeling that Impact Aid should be appropriated at the full authorized level of $835,000,000. It is our responsibility to these federally-impacted students. I thank you, Mr. Chairman, for allowing me to testify on this issue.

Norman D. Shumway

## TESTIMONY OF THE HONORABLE NORMAN D. SHUMWAY
## 14TH CONGRESSIONAL DISTRICT OF CALIFORNIA

April 26, 1990

Mr. Chairman:

I appreciate the opportunity to present testimony in support of the Impact Aid Program and, specifically, on how this program affects my Congressional District in California.

There are currently sixteen school districts which educate the nearly 4,000 federally-connected children who reside in California's 14th District.

As you know, Impact Aid is the federal government's attempt to compensate school districts for lost revenue where federal ownership or federal activities deplete the local community's tax base. The program is designed to provide relief to the local taxpayer by providing payments in lieu of taxes.

The main issue at stake is equity. Local governments view federally-connected children as a federal responsibility. The children are in the schools because of the federal government. Neither the parents nor the employer make a contribution to the school system's revenues through the local tax structure.

Impact Aid was created to rectify this problem. However, the Federal government is shirking its responsibility by refusing to pay over 40% of the bill.

Mr. Chairman, I would encourage your subcommittee to provide full and adequate funding for the Impact Aid Program. Both categories "a" and "b" deserve to be funded at equitable levels. The local taxpayer cannot be expected to carry the burden of funding Impact Aid Education. Thank you again for providing me with this opportunity to address my concerns.

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AND MILITARY NUCLEAR SYSTEMS
SUBCOMMITTEE ON SEAPOWER AND
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PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
SUBCOMMITTEE ON LEGISLATION

John G. Rowland

STATEMENT OF

CONGRESSMAN JOHN G. ROWLAND

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

APRIL 26, 1990

THIS STATIONERY PRINTED ON PAPER MADE OF RECYCLED FIBERS

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PERMANENT SELECT COMMITTEE
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SUBCOMMITTEE ON LEGISLATION

MR. CHAIRMAN,

I APPRECIATE HAVING THIS OPPORTUNITY TO EXPRESS TO THE SUBCOMMITTEE MY SUPPORT FOR STRENGTHENING FUNDING FOR IMPACT AID. IMPACT AID AS PROVIDED FOR IN PUBLIC LAW 81-874 IS IMPORTANT, NOT ONLY TO THE CHILDREN IN MY HOME STATE OF CONNECTICUT, BUT ALSO TO THE NEARLY ONE-HALF MILLION CHILDREN OF MILITARY PERSONNEL WHO DEPEND ON THIS PROGRAM FOR THEIR BASIC EDUCATION.

AS YOU ARE WELL AWARE, IMPACT AID PROVIDES FOR THE BASIC EDUCATION OF CHILDREN OF MILITARY PERSONNEL. BECAUSE THE SOLDIERS AND SAILORS CIVIL RELIEF ACT PREVENTS A LOCAL SCHOOL DISTRICT FROM TAXING SERVICEMEN AT EACH DUTY STATION, THE FEDERAL GOVERNMENT RECOGNIZED ITS OBLIGATION TO PROVIDE FINANCIAL RELIEF TO LOCAL SCHOOL SYSTEMS FOR THE COSTS OF BASIC EDUCATION THROUGH IMPACT AID.

TO USE AN EXAMPLE FROM MY HOME STATE, GROTON, CONNECTICUT IS ONE OF SEVERAL SCHOOL DISTRICTS IN THE NATION THAT HAS A HIGH PERCENTAGE OF ITS STUDENTS WHO ARE DEPENDENTS OF ACTIVE DUTY SERVICEMEN AND SERVICEWOMEN. CURRENTLY, OVER 46% OF THE CHILDREN IN GROTON CLASSROOMS ARE FROM THE ACTIVE MILITARY. OF THOSE 2800 CHILDREN, ALL BUT 280 OF THEM LIVE IN FEDERAL NON-TAXABLE HOUSING, AND HAVE PARENTS WHO WORK ON FEDERAL NON-TAX PRODUCING PROPERTY.

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IN THE LAST FIVE YEARS, THE NUMBER OF MILITARY CHILDREN EDUCATED IN GROTON HAS INCREASED FROM 2558 IN 1985, TO 2799 THIS YEAR. MILITARY CHILDREN REPRESENTED 41.9% OF GROTON'S TOTAL ENROLLMENT IN 1986. TODAY, 46.1% OF THE STUDENTS ENROLLED ARE ACTIVE DUTY MILITARY DEPENDENTS. IN 1985, WHEN 2558 CHILDREN WERE FROM MILITARY FAMILIES, GROTON RECEIVED $5.48 MILLION TO ASSIST IN PROVIDING BASIC EDUCATION. THIS SCHOOL YEAR GROTON WILL RECEIVE $5.2 MILLION TO EDUCATE 2799 CHILDREN, WHICH IS APPROXIMATELY A 5% DECREASE IN FUNDS TO EDUCATE 10% MORE STUDENTS.

MR. CHAIRMAN, THERE CAN BE NO GREATER PRIORITY THAN THE EDUCATION OF OUR CHILDREN AND WE MUST INSURE THAT THE IMPACT AID PROGRAM PROVIDES SUFFICIENT ASSISTANCE FOR SCHOOL DISTRICTS WHICH EDUCATE THE CHILDREN OF MILITARY PERSONNEL. I THANK YOU FOR ALLOWING ME THE OPPORTUNITY TO CONVEY MY SUPPORT AND I HOPE THAT THIS SUBCOMMITTEE WILL GIVE THIS IMPORTANT PROGRAM THE CONSIDERATION IT DESERVES.

THIS STATIONERY PRINTED ON PAPER MADE OF RECYCLED FIBERS

# STATEMENT BY REPRESENTATIVE MICKEY EDWARDS BEFORE THE SUBCOMMITTEE ON LABOR-HEALTH AND HUMAN SERVICES-EDUCATION OF THE HOUSE COMMITTEE ON APPROPRIATIONS

April 26, 1990

Mr. Chairman, thank you for this opportunity to express my support for funding of the federal Impact Aid program.

This year, as always, we are faced with the task of cutting spending to reduce the deficit. I continue to believe that we must better prioritize federal spending when deciding what to cut and what to keep. Impact aid is one of those programs that should be made a priority. The Impact Aid program provides needed assistance to communities that experience loss of tax revenues due to the location of government owned land. It's important because it shows a special interest in our children -- the future of our country.

I applaud and support the efforts of our President this year for his recommended payments in the low income housing impact aid "B" category. This is the first time in many years a president has recommended such payments. However, there is another area in the program that needs attention.

Mr. Chairman, states with large populations of impact aid children should not have to assume the additional burden of paying for the education of children whose parents, by federal law, are exempt from paying part, or all, of the state taxes our school districts depend on.

In Oklahoma, for example, a high percentage of our population is made up of federal employees and Indians. We simply cannot afford to educate all these children without federal impact aid assistance.

There are 18 super "B" districts that surround military bases in Oklahoma. These districts have a large number of children from military families and children of other federal employees. The average per pupil revenue of these 18 districts combined, is $130 less than the state average in Oklahoma. If "B" funding is eliminated or reduced, these super "B" districts could be as much as $185 per student below the state average.

Mr. Chairman, there is another aspect of impact aid that needs to be considered. As you know, there is presently a cap on super "B" districts, which prohibits them from receiving total super "B" funding above the level they received in FY 1987. This provision is likely to cause problems for some super "B" districts in Oklahoma. For example, the addition of 3,000 military personnel associated with the Navy E-6A Wing at Tinker Air Force Base will undoubtedly mean more children enrolling in the school districts surrounding Tinker Field. Under the present law, the seven super "B" districts near Tinker will be unable to receive more "B" funding than they received in FY 1987 even though the number of "B" students is likely to rise.

Mr. Chairman, with the dramatic changes occuring in Eastern Europe, reductions in military personnel overseas are inevitable. Many military units will be returned to bases within the United States. Initially, this may cause some military bases to grow, while operations at other bases here in the United States may be reduced and possibly phased out. Because of the existing "B" cap, the result may be an imbalance of impact aid for those communities that experience sudden student growth. The cap should be removed to help ease any further strain on local education agencies that would be most affected by these dramatic national policy changes.

Mr. Chairman, I hope that the Congress will continue to support the equity that the impact aid program provides. We must continue the federal responsibility for its activities at the state and local level.

Thank you.

**Testimony**
**of**
**The Honorable James M. Inhofe**
**1st District of Oklahoma**

April 26, 1990

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Thank you, Mr. Chairman, for allowing me to present testimony in support of the Impact Aid program. At the outset, I would respectfully request that this subcommittee report out a FY '91 Appropriations Bill which fully funds P.L. 81-874 and P.L. 81-815.

Mr. Chairman, President Bush has stated that he is going to be the 'Education President,' and I think his efforts thus far have been admirable. We in Congress need to work collectively to help him set his education agenda, and these hearings help provide an excellent forum.

I would appreciate the opportunity to give you and your colleagues some additional insight into what the conditions are like at 'impacted' school districts in Tulsa. Additionally, I would point out that this is not a problem unique to Tulsa, but is one faced throughout the state of Oklahoma, as well as across the country. The state of Oklahoma is working hard to improve the education of our students, which we see as an investment for the future. As you know, the Southwest and Oklahoma in particular has been experiencing an economic recession; thankfully, we are just beginning to see a glimpse of the light at the end of the tunnel- and our children are an important part of the long-term answer.

Proper facilities, such as classroom space and books, as well as other resources are scarce in many parts of my district. As the school districts are small and geographically isolated, outside help is needed. Funds from the Impact Aid program are an important part of that help. For example, full funding for Impact Aid could mean an increase of as many as 5 teaching positions for many of these districts throughout the state. For a district of 300 students, 5 teachers is a significant increase.

In order to illustrate the significance of Impact Aid to Oklahoma, consider that the 327 schools which receive Impact Aid represent 54.3% of all public schools statewide. The state of Oklahoma has a total of 16,983 'A students' and 29,873 'B students,' which entitled them, in 1989, to $55,543,670 of Impact Aid funds. They received $23,746,852, which represents only 42.7% of their entitlement. In my district alone, there are over 2,500 students who are classified as either 'As' or 'Bs.' The school districts in which they reside were entitled to $1,841,167 in 1989 Impact Aid funds. They received only $389,792, just 21.2% of their entitlement.

In addition to the actual number of students, there is also a human factor which is often overlooked. Many of these children are from military families, which move frequently, and are rarely able to establish strong ties where they land. This often leads to an unstable home and school life, which result in higher rates of learning disabilities, disciplinary problems, dropout rates and juvenile delinquency. In reality, these underprivileged children are the most difficult and most costly students to educate.

Mr. Chairman, recent developments in education in the state of Oklahoma have given us all a fresh prespective on our future. We must seize this opportunity to teach our children, and give them the chance to better our communities. By properly funding the Impact Aid program, we can give hundreds of schools, and thousands of children the opportunity to live, learn and grow in the great state of Oklahoma.

# TESTIMONY OF THE HONORABLE FRANK HORTON BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

DURING MY FOURTEEN TERMS IN CONGRESS SCHOOLS WITHIN MY DISTRICT HAVE EDUCATED MANY THOUSANDS OF IMPACT AID CHILDREN. IN THE SOUTHEAST CORNER OF MY DISTRICT, GRIFFISS AIR FORCE BASE IN ROME, NEW YORK IS CURRENTLY EDUCATING ABOUT 2,500 IMPACT AID STUDENTS. ABOUT 900 OF THESE CHILDREN ARE IN THE "A" CATEGORY WHILE 1,600 ARE IN THE "B" CATEGORY. I'M CONCERNED THAT IMPACT AID, THE FIRST FEDERAL AID TO EDUCATION PROGRAM, HAS FAILED TO KEEP PACE WITH OTHER EDUCATIONAL PROGRAM INCREASES. OUR MEN AND WOMEN IN UNIFORM, AND OTHER FEDERALLY-RELATED PARENTS, DESERVE TO KNOW THAT THEIR CHILDREN WILL BE PROVIDED A QUALITY EDUCATION, WHEREVER THEY MAY BE. THAT THIS PROGRAM HAS HAD A GENERALLY FLAT GROWTH LINE, WHILE NEWER EDUCATIONAL PROGRAMS HAVE GROWTH LINES THAT LOOK LIKE THEY ARE HEADED FOR ORBIT, DOES NOT REFLECT THE KIND OF SUPPORT THE CHILDREN IN THIS PROGRAM DESERVE.

JUST OVER TEN YEARS AGO THE CHILDREN IN THE ROME SCHOOLS WERE AIDED BY ALMOST TWO MILLION DOLLARS OF IMPACT AID, WHICH WAS ABOUT 10% OF THAT

YEAR'S SCHOOL BUDGET. IN RECENT YEARS THEIR IMPACT AID HAS AVERAGED ABOUT ONE AND ONE-HALF MILLION DOLLARS WHICH REPRESENTS LESS THAN 3.4% OF THEIR CURRENT YEAR'S BUDGET. THIS TREND SHOULD NOT BE ALLOWED TO CONTINUE.

LAST MONTH A 36 MILLION DOLLAR REFERENDUM TO BUILD A MUCH-NEEDED NEW HIGH SCHOOL IN ROME FAILED BECAUSE THE LOCAL TAXPAYERS FEEL THAT THE TAX BURDEN IS BECOMING OVERWHELMING. IN THIS CASE, IMPACT AID AND REGULAR STUDENTS ARE THE REAL LOSERS. THE DISTRICT IS SPENDING OVER $5,000 PER STUDENT PER YEAR TO EDUCATE YOUNGSTERS AND NEITHER IMPACT AID NOR STATE AID IS KEEPING UP WITH THE RISING COSTS OF EDUCATION. INCLUDED IN THE ROSTER OF FEDERALLY-RELATED STUDENTS WITHIN THE DISTRICT ARE THE FOLLOWING STUDENTS AND THEIR ANNUAL COST TO EDUCATE: A DEAF STUDENT, $35,453; A BLIND STUDENT, $29,623; AND SIXTEEN OTHER STUDENTS WHOSE ANNUAL COSTS RANGE FROM $11,000 TO $26,000. IMPACT AID DOESN'T BEGIN TO MEET THESE COSTS WHICH ULTIMATELY ARE PAID BY LOCAL TAXPAYERS.

THE FISCAL YEAR 1991 AUTHORIZATION FOR IMPACT AID IS $835 MILLION. THIS YEAR THE AUTHORIZATION WAS $785 MILLION AND THE APPROPRIATION WAS $717 MILLION. WE SHOULD TRY TO DO BETTER THAN THAT FOR

NEXT YEAR. AT THE VERY LEAST, WE SHOULD SEE THAT THERE IS A 7% INCREASE OVER LAST YEAR'S FUNDING TO MATCH THE AVERAGE INCREASE IN EDUCATIONAL COSTS ACROSS THE NATION.

THANK YOU MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE FOR THIS OPPORTUNITY TO SPEAK ON BEHALF OF THE IMPACT AID PROGRAM.

Testimony of Congressman Henry B. Gonzalez
20th Congressional District of Texas
Before the House Appropriations Subcommittee on
Labor, Health and Human Services, and Education
William H. Natcher, Chairman
April 26, 1990

## Impact Aid

Mr. Chairman, Members of the Subcommittee, I appreciate the opportunity to testify today on behalf of the Impact Aid program. This program has a tremendous affect on many of my constituents, as my congressional district in San Antonio has two coterminous school districts - Fort Sam Houston Independent School District and Lackland Independent School District. Additionally, San Antonio has a large federal workforce, and the other school districts in my district receive a large amount of funding assistance through the Impact Aid program.

The two coterminous school districts in my district are dependent on the Impact Aid program for their very existence. The Fort Sam Houston District operates two schools on the Fort Sam Houston Army

Base, with a total student population of approximately 1,500 children. The Lackland School District operates two schools, as well, with a student population of approximately 946 children. Of this student population, both districts have a significant percentage of special education children, with 19% and 14%, respectively.

Being coterminous districts, these two school districts have no tax base as their boundaries are coterminous with the military bases they serve. The districts are in a severe financial crisis at the present time, and the Fort Sam Houston district may have to close after the current school year with Lackland following by closing after the 1990-91 school year. The districts have experienced over a 20% reduction in federal Impact Aid funding since 1984-85. The per pupil cost at these two districts accounts for several factors not generally present in the public school system, such as a higher than average percentage of special education children, greater longevity for teachers, and increased testing and counseling needs due to the high student turnover rate due to the mobility of the military families.

Closure would force the student population into any of a number of different school districts that border on the military bases, as several public schools districts lie adjacent to both Fort Sam and Lackland. As you may know, Mr. Chairman, San Antonio's school districts vary greatly in the quality of education they are able to provide because the present state school financing system is funded through property taxes. Although this system is under court mandate to be revised by May 1st of this year, there is no way for the vast differences to be eradicated overnight. Thus, the students at the two coterminous school districts would mostly likely be distributed in the next year or two into several public districts, with some students *getting a decidedly better educational opportunity than others. Another problem is that the public school districts do not want these extra students under the present Impact Aid formula, as they would bring with them no taxable property and the Impact Aid funding per pupil is insufficient to cover the federal responsibility of their educational costs. So, it is clear that an increase in funding for these two districts is greatly needed to ensure quality education for their students.*

*Mr. Chairman, I would like to additionally address the effect of Impact Aid funding on the other school districts in San Antonio. Because of the five military bases in the San Antonio area and the federal agency workforce in the City, there are many federal civilian workers whose children qualify their schools for Impact Aid funding. Whether these children are category A, B, Super A, or Super B, their* presence in the school system has a tremendous impact on the schools' finances.

The Administration's budget request for these Impact Aid categories is grossly insufficient to meet the federal government's burden of the costs of a quality education. Education is not the place to cut funding, as such a short-sighted approach sells out our children's future in order to balance the federal budget - a cost that is too high, and one that will cost us again and again in loss of future revenue, loss of opportunity, and loss of spirit. The effect on San Antonio school children of continued insufficient funding for this program will be devastating.

Again, Mr. Chairman, I appreciate the opportunity to testify today, and I urge the Subcommittee to consider a significant increase over the Administration's request for funding for the Impact Aid program, including restoration of the 70% rule for Impact Aid funding *for coterminous districts and a FY91 appropriation for the total Impact Aid program of $835 million.*

# STATEMENT OF REPRESENTATIVE ROD CHANDLER

BEFORE THE

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN
SERVICES, AND EDUCATION

COMMITTEE ON APPROPRIATIONS

APRIL 26, 1990

**MR. CHAIRMAN,** WE KNOW THAT IMPACT AID IS THE FEDERAL GOVERNMENT'S WAY OF COMPENSATING SCHOOL DISTRICTS FOR LOST REVENUE WHEN FEDERAL OWNERSHIP OR ACTIVITY INTERFERES WITH TAX REVENUE SOURCES. WHEN THERE IS A FEDERAL PRESENCE, PROPERTY AND SALES TAX REVENUES (AND OTHER SOURCES) ARE BOUND TO BE REDUCED.

THE STATE OF WASHINGTON ENJOYS, OR SUFFERS (DEPENDING ON YOUR POINT OF VIEW) A SUBSTANTIAL FEDERAL PRESENCE -- NEARLY 30 PERCENT OF THE STATE IS FEDERALLY OWNED -- INCLUDING MILITARY

INSTALLATIONS, INDIAN LANDS, AND SUBSTANTIAL FEDERAL TIMBER.

IN MY CONGRESSIONAL DISTRICT -- EAST AND SOUTH OF SEATTLE -- SEVERAL LOCAL EDUCATION AGENCIES DEPEND HEAVILY ON IMPACT AID MONIES. THEY ARE AUBURN, FEDERAL WAY, KENT, ENUMCLAW, HIGHLINE, AND LAKE WASHINGTON.

WITH THE EIGHTH DISTRICT'S MIXTURE OF INDIAN STUDENTS, MILITARY AND OTHER FEDERALLY CONNECTED STUDENTS, IMPACT AID CUTS ACROSS THE SPECTRUM. IT ALLOWS THESE EDUCATORS TO PROVIDE QUALITY

EDUCATION. ONE DISTRICT -- AUBURN -- UTILIZES ITS ENTIRE IMPACT AID ALLOCATION (APPROXIMATELY $155,000) FOR INDIAN EDUCATION PROGRAMS.

IMPACT AID GET'S DOWN TO A QUESTION OF FAIRNESS. THE FEDERAL GOVERNMENT KNOCKS REVENUE SOURCES OUT OF BALANCE. IT SHOULD TRY TO RESTORE THAT BALANCE.

MR. CHAIRMAN, YOU AND OTHERS ON THIS COMMITTEE ARE RECOGNIZED SUPPORTERS OF IMPACT AID FUNDING. I WOULD LIKE TO ENCOURAGE CONTINUED SUPPORT FOR THIS IMPORTANT PROGRAM.

MONDAY, APRIL 30, 1990.

## LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

### WITNESS

### MICHAEL ROBINSON, COMMISSIONER, KENTUCKY DEPARTMENT FOR SOCIAL INSURANCE, REPRESENTING NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION

Mr. NATCHER. Our first witness is Mr. Michael Robinson. We will be pleased to hear from you at this time.

Mr. ROBINSON. Good afternoon, Mr. Chairman. I am Michael Robinson, Commissioner of Kentucky Department of Insurance. Today I am providing testimony on behalf of the National Energy Assistance Directors' Association.

Our association represents State agencies which operate the LIHEAP block grant. Our purpose is to help ensure that federal funding for energy assistance to the nation's poor is delivered as effectively and efficiently as possible.

It is an honor to be allowed to present testimony to you on the 1990 LIHEAP budget.

We have appeared before you in previous years to describe how proposed reductions to LIHEAP would affect states. Although this subcommittee has consistently not approved the Administration requests there have been very significant reductions and we have, in the past, described the cost cutting measures actually implemented by the states in response to those reductions.

This year, the President again requests a massive reduction in federal support for LIHEAP and again we would like to present to you what this would mean. The $1,060,000,000 in the Administration's request would mean that over the past six years, support for the program would have been reduced by 47 percent.

We again, have surveyed our association's membership to determine what options states would consider for 1991 should a cut of another $334,000,000 be forthcoming. You will find the results of that survey attached to my testimony.

Thirty-four of the 50 states and the District of Columbia responded to our survey. These states represent a broad spectrum of the nation in terms of geography, economy, and population. I hope the results will be of interest to you.

If LIHEAP is reduced by 24 percent in 1991: 53 percent of the respondents said they will reduce benefits to households; 71 percent said they will reduce the number of households assisted; 35 percent said they will continue to use oil overcharge funds to supplement LIHEAP. The number of states selecting this option has decreased over the past two years due to having expended most of these resources or devoting more to the long-term benefits of weatherization; 21 percent said they will be forced to place more emphasis on crisis assistance to make sure limited funds are used to help those families in life and health threatening situations.

When each of these survey results are examined within the context of the overall problem faced by the states the inadequacy of the rationale used by the Administration to support its proposed program reduction is obvious.

When states reduce LIHEAP benefits or reduce the number of households assisted, a bad situation becomes even worse. Over the past four years, federal assistance has gone from meeting 16 percent of eligible low income household energy costs down to 12 percent in fiscal year 1990. If Congress agrees to the proposed reduction for 1991 only 9 percent of those costs will be covered next year. Similarly, if the 1989 program only served 23 percent of eligible households, the proposed 1991 program will serve less than 20 percent of the eligible households.

As LIHEAP is further reduced more States are forced to concentrate on immediate needs and are unable to support weatherization which provides long term benefits. My department also operates the weatherization program and has always been committed to supporting this program to the fullest extent possible. But when federal heating assistance is reduced to such an extent as to jeopardize our ability to assist families facing crisis situations our support for weatherization will be reduced.

Other cost-saving measures that will be implemented are administrative in nature and will have a direct effect on the quality of program delivery. A cutting back in outreach efforts, home visits to the elderly and disabled, and application processing time is anticipated by many states. The payment method will be simplified by some states opting to write direct checks to clients rather than continue the more costly, but effective, procedure of writing two party checks, making the fuel vendor the direct payee.

Administrative costs are, by LIHEAP statute, limited to 10 percent of each state's grant. As federal resources shrink, states actually need a bigger share because program design and implementation becomes more complex and more costly. This administrative cost imbalance has always been true for smaller states and will become common for all states if funding of LIHEAP continues to be reduced.

We do appreciate the federal deficit you continue to face and understand the difficulty in trying to satisfy real needs with limited resources.

States face the same difficult choices in developing their annual budgets, as witnessed, Mr. Chairman, during Kentucky's recent legislative session. But more importantly, poor families face tough decisions particularly during the extremes of winter and summer.

The Administration believes that home heating costs have stabilized and, therefore, LIHEAP can be reduced since the poor no longer need monies to offset the rising costs of energy. The fact is that the poor have never really rebounded from the extraordinary price increases in the mid to late 1970's. They continue to be vulnerable to rapidly rising prices as witnessed this past winter. Mr. Chairman, in your home district, propane gas prices rose an average of 57 percent from October to January and still remain 37 percent higher at the end of April. Similar price increases have occurred for fuel oil. Natural gas rose 34 percent by mid-winter and remains 26 percent higher. If fiscal year 1990 LIHEAP had been reduced as originally proposed by the Administration, states would not have been able to address this unforeseen emergency situation. The Administration argues that LIHEAP is not necessary for poor households supported by entitlement programs. My department is responsible for administering these entitlement programs and I see no evidence that would support this claim. With the possible exception of SSI, no entitlement program has kept pace with the overall cost of living and none have been totally adjusted to compensate for the major fuel price increases of the 1970's.

The Administration continues to argue that oil overcharge monies can be used to offset reductions to LIHEAP even though this is counter to the restitutionary principle of the settlement. It is important to point out that the states have either allocated or expended the vast majority of funds received from the two major settlements.

Of the total allocated or expended to date, LIHEAP received 24 percent and weatherization 26 percent. The remaining 50 percent is split between the three non-low income program areas in keeping with DOE's ruling that oil overcharge funds are intended to be restitutionary to a broad range of constituents and cannot be targeted for only the low income.

If the Administration's proposed reduction is approved and if all of the remaining settlements to be received by the states over the next five to 10 years, estimated at $500,000,000 to $1,000,000,000, were used only for LIHEAP, it would not come close to keeping energy assistance at its current level for more than a brief period.

The National Energy Assistance Directors are asking for your continued efforts on their behalf and to approve funding at a level that will, at least, maintain the current program level. If not greater flexibility, change the rules to allow states to target those in greatest need.

Also it would be helpful for planning purposes to know the fate of LIHEAP—states are in planning process now for this year's program. Depending on funding decisions, states may have to make drastic changes in their plans.

Thank you, Mr. Chairman and Members of the committee, for your attention.

Mr. Chairman, I would be more than happy to answer any questions that you might have.

Mr. NATCHER. Mr. Robinson, you have given us an excellent statement. We appreciate your appearance before our committee. You have given us a good statement.

[The information follows:]

## STATE RESPONSES TO LIHEAP REDUCTION

When reviewing the attached survey results, the following should be kept in mind:

Blank surveys were mailed to all Energy Assistance Directors on April 6, 1990 with a requested return date of April 13, 1990 allowing very little time to formulate detailed responses.

The responses are those of each state's Energy Assistance Director.

Since LIHEAP is a block grant, each state's annual plan is influenced in varying degrees by its public, legislative, and administrative review process.

The extent to which LIHEAP funds are transferred to other programs and the availability of oil overcharge funds for the LIHEAP in each state are generally not under the control of the Energy Assistance Director.

While reducing LIHEAP by one-fourth in just one year will dramatically affect the program as demonstrated in the attached survey, the full impact could be quite different than currently anticipated. Other variables that will affect the program are fuel price changes over the next twelve months, seasonal extremes of this summer and next winter, and the final language of the LIHEAP Reauthorization.

STATE RESPONSE TO LIHEAP REDUCTIONS

| STATE | MAY REDUCE BENEFIT | % OF BENEFIT REDUCTION | CURRENT AVERAGE BENEFIT | POSSIBLE AVERAGE BENEFIT | MAY SERVE FEWER HOUSEHOLDS | DESCRIPTION OF POSSIBLE REVISED PROGRAM | OTHER COMMENTS |
|---|---|---|---|---|---|---|---|
| Alabama | No | N/A | N/A | N/A | Yes | Shorten application period, tighten eligibility requirements for summer cooling | Serves 1/3 of eligible households |
| Arizona | No | 24% | $ 138 | $ 100 | Yes | Shorten application period. | Serves 12.5% of the eligible households |
| Arkansas | ND | N/A | N/A | N/A | Yes | Increase crisis share, shorten application period. | Current winter program lasts only three (3) weeks. |
| Colorado | Yes | 24% | $ 247 | $ 188 | No | Cut weatherization and reduce benefits. | Recommends multi-year appropriations. |
| Connecticut | No | N/A | N/A | N/A | No | No changes are anticipated, state funds will replace any reduction. | Serves 50% of the eligible population. |
| Delaware | Yes | ND | $ 321 | ND | Yes | Shorten eligibility period by one month. | Recommends three year re-authorization. |
| District of Columbia | Yes | 24% | $ 200 | $ 152 | No | Eliminate summer program. | Eligible population is under-served. |
| Florida | No | NA | $ 65 | N/A | Yes | Set sliding scale serving households on a first-come, first-served basis. Increase crisis assistance share. | Serves total eligible population however, believe it is under-served due to the low benefit level. |
| Illinois | No | N/A | $ 481 | N/A | Yes | Serve 24% fewer households. | Eligible population is under-served. |
| Iowa | Yes | 24% | $ 175 | $ 135 | Yes | Shorten eligibility period, decrease eligibility criteria from 150% to 125% poverty. Target benefits to most needy. | Serves 70% of the eligible population. |

ND-Not determined

STATE RESPONSE TO LIHEAP REDUCTIONS

| STATE | MAY REDUCE BENEFIT | % OF BENEFIT REDUCTION | CURRENT AVERAGE BENEFIT | POSSIBLE AVERAGE BENEFIT | MAY SERVE FEWER HOUSEHOLDS | DESCRIPTION OF POSSIBLE REVISED PROGRAM | OTHER COMMENTS |
|---|---|---|---|---|---|---|---|
| Kansas | Yes | 24% | $ 205 | $ 154 | Yes | Lower income guidelines to 110%, eliminate summer cooling program. | Currently serving 50% eligible population. |
| Kentucky | No | N/A | $ 115 | N/A | Yes | Reduce heating assistance and increase crisis component. | Can access oil overcharge funds to maintain 1988 LIHEAP level |
| Maine | No | N/A | N/A | N/A | Yes | Reduce income guidelines to 110% of poverty, develop private/public sector partnerships, consolidate state resources, have limited P.V.E. funds that will compensate for part of the reduction | Currently serves 40% of the eligible population. |
| Massachusetts | Yes | ND | $ 440 | ND | Yes | Shorten application period, reduce administrative costs by making checks payable directly to clients, lower eligibility from 150% to 125% poverty. | All oil overcharge funds have been expended. |
| Michigan | Yes | 5% | $ 251 | $ 238 | Yes | Tighten eligibility, curtail or eliminate weatherization, increase crisis assistance. | None |
| Minnesota | Yes | 20% | $ 347 | $ 275 | Yes | Target benefits or tighten eligibility requirements. | Eligible population is currently underserved.<br>Homeless are underserved. |
| Mississippi | No | N/A | N/A | N/A | Yes | Shorten eligibility period, reduce home visits to elderly/disabled. Close some application sites. | Currently serve 25% of eligible population. |

ND-Not Determined

STATE RESPONSE TO LIHEAP REDUCTIONS

| STATE | MAY REDUCE BENEFIT | % OF BENEFIT REDUCTION | CURRENT AVERAGE BENEFIT | POSSIBLE AVERAGE BENEFIT | MAY SERVE FEWER HOUSEHOLDS | DESCRIPTION OF POSSIBLE REVISED PROGRAM | OTHER COMMENTS |
|---|---|---|---|---|---|---|---|
| Pennsylvania | ND | N/A | N/A | N/A | Yes | Shorten application period. | Currently serves 50% of the eligible population. |
| South Dakota | Yes | 15% | $ 306 | $ 260 | Yes | Reduce eligibility period, reduce income guidelines, consider mail-in applications. | Elderly population is underserved.<br>All oil overcharge funds have been obligated.<br>Support for weatherization reduced by 82% since 1986. |
| Texas | No | N/A | N/A | N/A | Yes | Eliminate summer cooling program. | Recommends 4 year authorizations.<br>Increase 10% limit on administration if appropriation falls below a certain level.<br>Insufficient oil overcharge funds alloted to LIHEAP to make up for proposed reduction. |
| Utah | Yes | 32% | $ 199 | $ 135 | Yes | Reduce application period, reduce benefit level. | Working poor and AFDC households underserved. |
| Vermont | Yes | 45% | $ 480 | $ 265 | No | Expect an increase in participation due to falling state economy. | No comment. |
| Virginia | Yes | 22% | $ 260 | $ 203 | Yes | Reduce income eligibility to 130%, deny assistance to renters with heat included. | All of administration's assumptions supporting reduction are false--fuel prices are not stable, entitlement programs do not cover heating costs, oil overcharge funds cannot make up difference, state funds do not exist to make up difference. |

ND-Not Determined

STATE RESPONSE TO LIHEAP REDUCTIONS

| STATE | MAY REDUCE BENEFIT | % OF BENEFIT REDUCTION | CURRENT AVERAGE BENEFIT | POSSIBLE AVERAGE BENEFIT | MAY SERVE FEWER HOUSEHOLDS | DESCRIPTION OF POSSIBLE REVISED PROGRAM | OTHER COMMENTS |
|---|---|---|---|---|---|---|---|
| Missouri | Yes | 40% | $ 198 | $ 118 | Yes | Reduce income guidelines to 110%, shorten application | Currently assisting only 42% of eligible elderly/disabled population. |
| Montana | No | N/A | $ 299 | N/A | No | Oil overcharge funds have been set aside for reduction. | Currently serves eligible population between 125% to 150% poverty only, if after deducting medical costs, income is below 125%. |
| Nevada | No | N/A | $ 219 | N/A | Yes | Shorten eligibility period, target the most vulnerable. | Homeless are not being served, underserving eligible population. |
| New Mexico | Yes | 24% | $ 40 mo. | $ 30 mo. | No | No comment. | None |
| North Carolina | ND | N/A | N/A | N/A | No | No comment | Oil overcharge funds will be used. All eligible population is being served that apply. |
| North Dakota | Yes | 20% | $ 438 | $ 352 | No | Reduce application period, increase crisis program, reduce energy conservation efforts. | None |
| Ohio | Yes | 20% | $ 120 | $ 96 | No | Reduce crisis share, reduce benefits, reduce application period. | Concerned if reducing benefits to less than $100 will really assist households. |
| Oklahoma | No | N/A | N/A | N/A | No | Benefit level has already been decreased by 20% in FY '90. | Currently serves 25.7% of the eligible population. |
| Oregon | No | N/A | N/A | N/A | Yes | Keep current benefit levels and serve less clients. | Currently serves 56% of the eligible population.<br>All oil overcharge allocated to Weatherization. |

ND-Not Determined

## STATE RESPONSE TO LIHEAP REDUCTIONS

| STATE | MAY REDUCE BENEFIT | % OF BENEFIT REDUCTION | CURRENT AVERAGE BENEFIT | POSSIBLE AVERAGE BENEFIT | MAY SERVE FEWER HOUSEHOLDS | DESCRIPTION OF POSSIBLE REVISED PROGRAM | OTHER COMMENTS |
|---|---|---|---|---|---|---|---|
| Washington | No | N/A | $ 205 | N/A | Yes | Shorten application period, considering self-declaration of income, automated eligibility determination, and targeting benefits to high fuel users and repeat crisis recipients. | Oil overcharge funds used for weatherization. May transfer less than 15% to weatherization. Serves 40% of households at or below 125%. |
| West Virginia | Yes | 15-20% | $ 113 | $ 96 | Yes | Shorten application period, increase crisis allotment. | Out of oil overcharge funds. |

ND-Not Determined

MONDAY, APRIL 30, 1990.

## LOW INCOME HOME ENERGY ASSISTANCE PROGRAM ADMINISTRATION FOR NATIVE AMERICANS

### WITNESSES

**PHILIP ALEXIS, EXECUTIVE DIRECTOR, CONFEDERATED HISTORIC TRIBES OF MICHIGAN, INC.**

**DAVID LESTER, EXECUTIVE DIRECTOR, COUNCIL OF ENERGY RESOURCE TRIBES**

**SHARON BAD WARRIOR, FOR WAYNE DUCHENEAUX, CHAIRMAN, CHEYENNE RIVER SIOUX TRIBE**

**PAT ZAKOVEC, PRESIDENT, NATIVE AMERICAN FISH & WILDLIFE SOCIETY**

**DEWEY SCHWALENBERG, EXECUTIVE DIRECTOR, NATIVE AMERICAN FISH & WILDLIFE SOCIETY**

Mr. NATCHER. Our next witness is a panel consisting of Mr. Alexis, Mr. Lester, Ms. Warrior and Pat Zakovec. How shall we proceed?

Mr. LESTER. Mr. Natcher, I am David Lester. I will introduce the other members of the panel. Philip Alexis, Executive Director, Confederated Historic Tribes of Michigan, Inc.; Sharon Bad Warrior, Cheyenne River Sioux Tribe; Pat Zakovec, President, Native American Fish & Wildlife Society; Dewey Schwalenberg, Executive Director, Native American Fish & Wildlife Society; and myself, David Lester, Executive Director, Council of Energy Resource Tribes.

We want to speak to two items that fall within the jurisdiction of the subcommittee, Mr. Chairman, the LIHEAP and the Administration for Native Americans.

Mr. ALEXIS. I guess it is my turn. I would like to thank you and the Members of the committee for giving us this opportunity to make this 10-minute testimony.

We decided to each one say a few pieces along with the written testimony that we have submitted to you. Your committee has a broad scope of tribal representatives representing other Indian people in the country. In relation to the Low Income Energy Assistance Program, it is particularly critical in Michigan because of the extreme weather, the northern climate.

A lot of Indian people of low income depend on LIHEAP assistance to maintain their utility service throughout the winter.

As you probably know your committee controls and has an impact on many Indian programs other than LIHEAP, the Administration for Native Americans and I think we got a little bit into Head Start. I am speaking today as a representative of the Confederated Historic Tribes of Michigan which is a state-recognized group.

We are not federally recognized. We have a concern with the Administration for Native Americans budget. We are here asking for an increase in their appropriations I think of $30,000,000. This program has vital importance to the Confederated Historic Tribes membership. It is one of the few federal programs that our members can participate in without federal recognition.

The other thing I will touch briefly on is our organization submitted an aging grant to be discretionary proposal program that was offered the last funding cycle. We propose putting together a demonstration project to improve service to Indian elders in the State of Michigan.

Ms. WARRIOR. Thank you for allowing us the opportunity to testify today. I am representing Wayne Ducheneaux, tribal president of the National Congress and American Indians. That organization is one of the oldest and largest national Indian organizations that advocates for Indian issues.

A little bit about the Cheyenne reservation. We are located in South Dakota, about the size of Connecticut. We are also a grantee of the Low Income Home Energy Assistance programs.

Our program has received a 30 percent decrease in funding over the past five years. While we received a decrease in funds, all our LIHEAP households have continued to increase, especially among the elderly. They depend greatly on the LIHEAP program. We are asking that you reject the President's budget and give the Low Income Home Energy Assistance Program the increase that it deserves.

In addition, I would like to request your committee's attention on the program for which your are responsible, the administration of the Native American Program. We call it the ANA program. The ANA program is one of the few programs Native Americans have to help us with community assistance projects. This program is very important to us.

All Indians across the United States would benefit from an increase in funding for that particular program.

Lastly, we certainly do appreciate your leadership over the past years in the Low Income Home Energy Assistance Program. On behalf of Mr. Ducheneaux and the Cheyenne River Sioux Tribe, we ask for your continued support and assistance in Native American programs.

Mr. ZAKOVEC. I am Pat Zakovec, president of the board of directors of the Native American Fish & Wildlife Society. I would like to introduce Dewey Schwalenberg, our executive director.

Mr. SCHWALENBERG. On behalf of the 39 member Tribes of the Society, we particularly appreciate this opportunity to testify and would hope the Committee would provide similar opportunities in future years. I am going to focus my comments on one particular program—the Administration for Native Americans, ANA, which is administered by the Department of Health and Human Services.

The Native American Fish & Wildlife Society is a non-profit 501(c)3 Indian organization of 39 member tribes, over 500 professional Indian resource managers and technicians, 400 non-Indian professional fish and wildlife persons and 15 affiliate organizations that work on-reservation with Tribal Governments. The Society's main objective is to provide training and technical assistance to Tribes in developing cooperative fish, wildlife and recreation management programs within interface with the professional management entities of the state, federal and private sector. The entire management emphasis of that resource is a governance and a social issue that tribes need to deal with.

The Administration for Native Americans organization presently is the only organization that has been able to supply a meaningful amount of dollars and a meaningful method for allowing tribes to develop these natural resource management capabilities.

We are here in support of the Administration of Native Americans budget increase of $30,000,000. We find that the use of the funds by the Administration for Native Americans for development of governance, development of social programs, has been very beneficial and can be extremely beneficial in the future to help tribes deal with natural resources issues.

You may be aware that there are a lot of treaty rights issues around the country, there are exotic species of animals being introduced that creates real difficulties for tribal governments.

The initial approach by the Bureau of Indian Affairs or Fish and Wildlife Service has been totally inadequate. We feel our organization, the Administration for Native Americans, offers the best resource to develop these programs and capabilities and to support the tribal community health and well-being by providing these resources on a continuing basis.

Thank you very much for allowing us to testify today. We would appreciate the opportunity in the future to continue to testify. Thank you.

Mr. LESTER. Mr. Chairman, just a couple of more points to underline the testimony that has already been given. Since 1975 the ANA budget in actual dollars has decreased. In 1975 it was $33,000,000. This year it is $31,700,000. In that same period of time the Native American population in this country has increase by over 70 percent.

The poverty conditions, while on a statistical basis has seemed to maintain itself on a kind of plateau of extremely high proportions be it income, employment or other indices. The Administration for Native Americans has been, as indicated, the agency that has been able to work with all the various Native American constituencies on their own terms, supporting projects that help develop the human and natural resources for addressing some of the social and economic problems.

This past year only one-third of the eligible, fundable programs were able to be funded because of a lack of resources. Of that one-third that was funded, most of them were reduced in scope and size because of lack of resources, so we underline the importance of the Administration for Native Americans in reversing the economic and social problems within Native American communities and working toward that mission that the agency has which is to promote social and economic self sufficiency.

We appreciate your leadership in the Low Income Home Energy Assistance program and would appreciate also your leadership in helping us obtain additional resources for community development and economic and social projects within Native American communities.

Mr. NATCHER. Thank you very much. I want to thank you five ladies and gentlemen for appearing. You have given us excellent statements. As you know we have $50,000,000 in supplemental. We passed in in the House. The Senate has agreed with that, to that $50,000,000. Now it goes to conference.

On our subcommittee, in addition to Mr. Purcell and the other Members, Mr. Conte is the ranking minority Member, as you know and this $50,000,000 was his amendment. He justified it before our subcommittee and before the full committee. The Senate has accepted it, so regardless of some of the other items in that supplemental, this $50,000 ought to be all right.

We appreciate your appearance. You come back and see us.

[The statements of Philip Alexis, Wayne Ducheneaux, and Dewey Schwalenberg follow:]

# PREPARED STATEMENT OF PHILIP ALEXIS, EXECUTIVE DIRECTOR
# CONFEDERATED HISTORIC TRIBES OF MICHIGAN, INC.
# BEFORE THE HOUSE LABOR, EDUCATION AND RELATED AGENCIES APPROPRIATIONS SUBCOMMITTEE

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Chairman Natcher and members of the Committee, thank you for the opportunity to testimony today. Because of our socio-economic status, the Michigan Indian population is dependent upon federal services and benefits provided under the jurisdiction of this committee. I understand that nationwide, approximately $330 million of funding under HHS programs goes to Indians either through specific set-asides or through low-income participation. The Indian people very much appreciate the leadership and advocacy you have shown over the years for the needs of the disadvantaged people of this country.

In general, we would urge the Committee to provide increases for all the programs which provide services and benefits to low-income programs. Like many Americans, we are hopeful that there will be a "Peace Dividend" to offset some of the erosion in funding which has occurred over the past decade in funding for discretionary programs.

## BACKGROUND OF CONFEDERATED HISTORIC TRIBES OF MICHIGAN, INC.

My name is Philip Alexis and I am the Executive Director of the Confederated Historic Tribes of Michigan (CHTM), Inc. I am also a member and former Tribal Chairman of the Pokhagen Band of Potowatomis in Michigan. CHTM is a non-profit organization chartered and funded by the State in part through Community Services Block Grant funds. It is comprised of five Tribes in Michigan which are recognized by the State but not by the Federal government for purposes of receiving federal services and benefits provided for Indians. The role of CHTM is to support the efforts of the member Tribes to attain federal recognition. We are also charged with improving the delivery of State and Federal services to members of State recognized Tribes in Michigan. We work closely with the Michigan Commission on Indian Affairs, comprised of members appointed by the Governor to advocate for the needs of the Michigan Indian community and to advise the Governor on issues which affect us. Indian population.

## CHARACTERISTICS OF MICHIGAN INDIAN POPULATION

According to the 1980 Census, there were 61,000 Indians in Michigan but we anticipate that this number will be significantly higher when the 1990 census is completed. More than half of the Indian population resides in urban and off reservation rural areas and therefore do not receive services and benefits provided by the Bureau of Indian Affairs and the Indian Health Service. Both the on and off reservation Indian populations in Michigan are characterized by high degrees of poverty and other socio-economic problems (high drop out rates, high incidence of drug and alcohol abuse, and a prevalence of certain diseases such as diabetes and alcoholism which contribute to the early morbidity rate). The average annual income, for example is $2,800 and unemployment in the Indian communities ranges from 12% to 50%. These factors create a significant need for the benefits provided by low-income programs under the jurisdiction of this Committee.

The majority of the off reservation Indians in Michigan live in rurally isolated areas service delivery poses a particular challenge. A recent survey by the Michigan Commission on Aging, for example, revealed that Indians comprise the neediest group among the state senior citizen population. We believe that many Indian senior citizens fail to receive the full benefits they are eligible for and entitled to because of rural isolation, cultural factors, and lack of information. To address these problems, CHTM has designed an outreach demonstration project to improve service delivery to the Indian elderly in Michigan and submitted it to the Administration on Aging Discretionary Grant program. During the process of working with the Administration on Aging, we noted that the agency has not placed a particular emphasis on the unique problems of Native American elders. We would hope that the Committee would encourage the Agency to work closely with the Indian community to test and develop strategies for improving service delivery to the elderly Native American.

Programs such as LIHEAP, Headstart, WIC, Aging Programs and the Administration for Native Americans are administered by a variety of eligible Indian grantees in the State of Michigan including the seven federally recognized Tribes, the State recognized Tribes and the urban Indian centers. Other services are provided by the State. The assistance provided by these programs often ease the socio-economic hardship that the Indian people in Michigan experience.

## LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

The Low Income Energy Assistance Program is one of the discretionary programs particularly critical in Michigan because of the State's extreme northern climate. It is not unusual, for example to the Upper Peninsula to have annual snow fall of over 400 inches and the winter season lasts from early November to late March. This creates very high home heating costs. The low-income Indian people depend upon LIHEAP assistance to maintain utility services through the winter. For these reasons, we in Michigan were aghast at the President's proposal to cut funding for the program by 50% and find it to be an unconscionable abandonment of poor people. We can only hope that the Committee will see that the full funding is provided at a minimum of the FY 90 level with some increase for inflation.

## ADMINISTRATION FOR NATIVE AMERICANS

To CHTM and the other Indian grantees in Michigan, the single most important program under the Committees purview is the Administration for Native Americans (ANA). The Native American Programs Act was established in 1974 as part of the Economic Opportunity Act and is the only title still in existence renewed through specific statute. The program provides competitive grants to Native American grantees to develop self sufficiency strategies and projects. As I pointed out earlier in my testimony, the Native Americans in this country are on the bottom of the heap in terms of need. This is not where we want to be -- we want to become more self sufficient and to decrease our need for federal support. The only way we can accomplish this, however, is with some assistance in our efforts to create businesses, employment and other improvements.

ANA provides such an opportunity to nearly 400 federally recognized Tribes, nearly 100 State recognized Tribes, over 300 Alaska Native Villages, numerous urban Indian centers, non-profit organizations, Native Hawaiians and American Pacific Islanders. In general, ANA provides "seed money" to start projects which must become self sustaining after a period of one to three years. It is frequently the only source of federal funding available to the Indian community for economic and social development projects.

ANA is particularly critical to CHTM and other state recognized Tribes because it is the only source of federal funding available to pursue federal acknowledgement. Complying with the petition process for federal acknowledgement required under the Code of Federal Regulations, requires the Tribes to conduct extensive research and documentation in the areas of history, genealogy and anthropology to establish that a claim for recognition is valid. The process takes years of work -- my own tribe, the Pokhagen Potowatomis, for example, have been pursing federal recognition for over thirty years, in large part because we have not had the resources to conduct the petition. We have only made progress in recent years because of ANA grant support.

While the ANA program has provided competitive grants to State recognized Tribes, there is a critical need to increase funding for ANA so that the number and size of grants can be increased. At present funding levels, the grants which ANA provides to State recognized Tribes have been capped at $50,000 and are extremely difficult to secure.

Pursuant to it's authorization, ANA grants are evaluated by peer review panels on the basis of specific criteria. Due to funding constraints, the process is highly competitive and I understand that less than half of the "fundable" grants are awarded. Ironically, under the current competition, the Tribes and applicants which have the best resources (grants writers etc.) are often the most successful under this stiff competition while the Tribes and organizations which are most needy but do not have grantsmanship capability fare poorly.

I believe that the ANA Commissioner and staff do their best under current funding constraint to support viable projects. Unfortunately, the lack of money has lead to a sharp reduction in the size and number of grant awards cases because there simply is not enough funding to respond to the need which has more than doubled in the past ten years. The cost of developing projects has doubled due to inflation. Also, last year the ANA program was amended to make Native Hawaiians and Pacific Islanders eligible for grants.

Attached to my testimony are some graphs and charts excerpted from a

Congressional Research Service study prepared for the Senate Select Committee on Indian Affairs this year which show that funding for ANA has plummeted over the past decade. As a matter of fact, funding in FY 90 is less than what was appropriated in FY 1979 and the funding for the ANA program has fallen in real dollars more than any other Indian program except for Indian housing. I believe that Indian leaders have to bear some of the responsibility for this decline, because we really haven't advised the Committee on how important this program is to the Native American community.

In my view, ANA represents one of the best investments which the federal government can make to assist the Native American with self sufficiency. The program only works to the extent that adequate funding is provided. In FY 92, we are urging the Committee to provide an increase of $30 million over and above the Administrations request for the ANA program and to establish this as the base funding for the program. This amount is less than what is needed to restore the program to the same purchasing power it had in 1979 without taking into consideration the addition of new eligible groups. .

## OTHER PROGRAMS

We urge the Committee to provide adequate funding for other low-income programs that benefit low-income Indian people in Michigan and throughout the country. The programs of particular interest are: Headstart, Women Infants and Children, the Jobs Training Partnership Act (JTPA), Immunization funding provided under the Centers for Disease Control, the Social Services Block Grant Program, Child Welfare Services, Alcohol and Drug funding, and the Administration on Aging.

Headstart: We are pleased with the President's request for Headstart and hope the

Committee will provide increases for this noteworthy program. Headstart has been particularly valuable for the Indian communities in helping children prepare for school and teaching social and cultural skills which build self esteem, critical for later success in school and life. Indian Headstart programs are administered under the Indian/Migrant Headstart Division. Many Tribes which receive Headstart grants are concerned that this division has very few, if any, Indian staff, and does not exercise an Indian preference policy for employment. Indian grantees are unique for cultural, legal and socio-economic reasons. We believe that the Agency could improve its effectiveness in working relationship with the Tribes by employed qualified Indian people to work in the program.

National Institute of Health: As I mentioned earlier, the Native American community experiences excessive and unacceptable rates of certain diseases, particularly those related to alcoholism and diabetes. HHS, for example, recently released a report documenting that diabetes afflicts 40% of all Indian people. Numerous studies have also shown that nearly all Indian families are affected by alcoholism, either as actual victims or through association with family members who are alcoholics. Both of these diseases can be prevented or treated through behavioral change on the part of individuals.

Accordingly, there is a critical need to conduct additional research to determine what constitutes effective intervention strategies to change behaviors which will prevent and reduce the incidence of both diabetes and alcoholism in the Native American population. Many of the Tribes have declared "War on Alcohol and Drugs" and have are instituting diabetes prevention projects, but we are in dire need of research to demonstrate what type of community intervention strategies are most appropriate and workable. Unfortunately, there have been examples of bad research involving Indian communities, in which the cultural factors have been distorted by researchers, who though well-intended, were unfamiliar with Indian culture. This has contributed to a reluctance in the Indian community to participate in research projects.

To overcome this, we believe that effective research in the Indian community must be based on close working relationships with the tribal community and tribal leadership so that research objectives are understood and supported by the community subjected to the research. Ideally, research would be compatible with and supportive of tribal health activities and goals. Last year, CHTM joined with a consortium of four other Tribes (Cheyenne River Sioux, South Dakota, Northern Cheyenne, Montana, Keweenaw Bay, Michigan and Red Lake Chippewa, Michigan) and Michigan State University and submitted a research proposal in response to an NIH solicitation from the National Cancer Institute for precisely this purpose. This project was based on accepted ethical standards for conducting research among American Indian communities and included components to educate and involve tribal leaders and communities about the research protocol and process to improve participation.

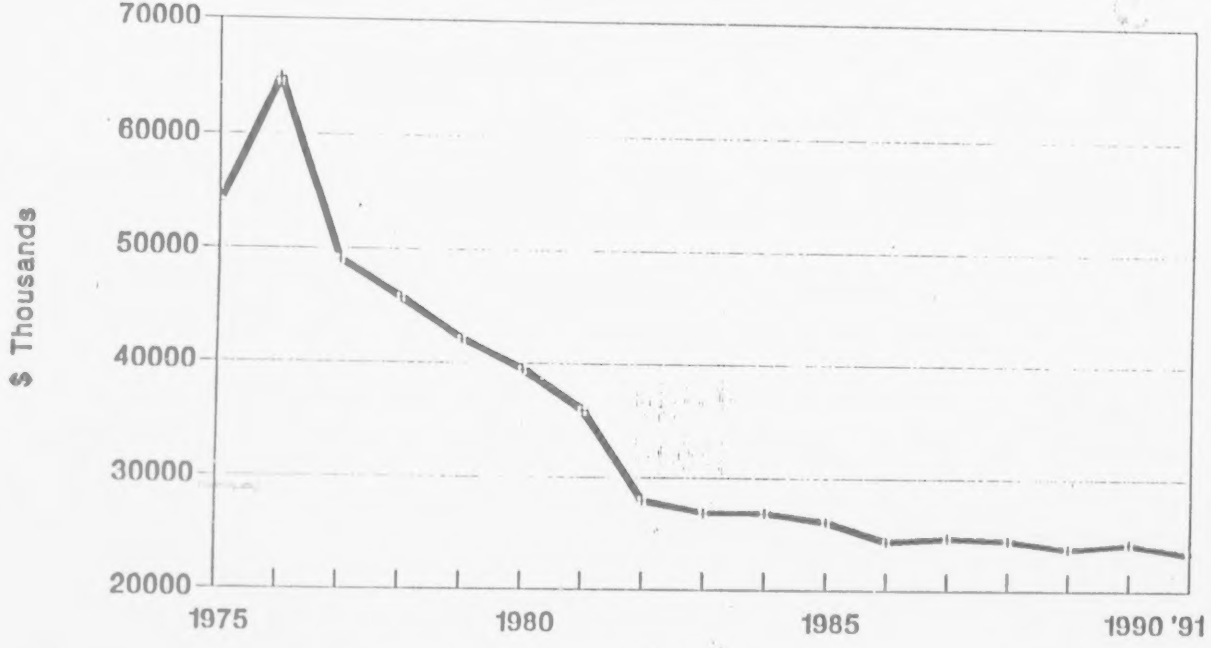
The Tribes involved in this project were extremely discouraged by the response of NIH to our proposal -- the agency refused to even have our application read because they objected to the tribal and community involvement. While we could have understood a negative review of the application based on scientific merits, we do not understand a staff decision to withdraw our application from consideration. As a result of this experience, we think that the NIH needs to develop a much better understanding of the dynamics of conducting effective research in Indian communities by working with tribal leaders and the affected communities.

## SUMMARY

In summary, Mr. Chairman, the programs under the jurisdiction of your Committee Mr. Chairman are important to Indians and to poor and disadvantaged people everywhere. In closing, I would like to express our appreciation for the work you have done over the years to protect these programS. I am particularly pleased to have had the opportunity to testify before the Committee today and I hope we will have a similar opportunity next year.

Graph 12
ANA Budget, FY1975-91

In Constant 1982 Dollars



Appendix Table 1. Budget Data for Selected Elements of the Federal Budget, in Current Dollars, FY1975-1991

[Dollar amounts in thousands, except per-capita figures]

| Fiscal Year | Bureau of Indian Affairs (Approps.) | Indian Health Service (Approps.) | Indian Education in Dept. of Educ. (Approps.) | Indian Housing in HUD (B.A. Use) | Admin. for Native Americans (Approps.) | Overall Indian Budget |
|---|---|---|---|---|---|---|
| 1975 | $738,236 | $293,103 | $42,034 | N/A | $32,000 | $1,105,373 |
| 1976 | $808,095 | $338,926 | $57,055 | $511,200 | $41,000 | $1,756,276 |
| 1977 | $787,359 | $509,055 | $57,212 | N/A | $33,000 | $1,386,626 |
| 1978 | $897,740 | $513,267 | $59,732 | $696,900 | $33,000 | $2,200,639 |
| 1979 | $1,031,195 | $569,153 | $71,735 | $874,300 | $33,100 | $2,579,483 |
| 1980 | $994,227 | $620,871 | $75,900 | $847,900 | $33,800 | $2,572,698 |
| 1981 | $1,098,447 | $869,762 | $81,680 | $471,500 | $33,800 | $2,555,189 |
| 1982 | $970,360 | $676,157 | $77,852 | $494,300 | $28,000 | $2,246,669 |
| 1983 | $1,149,902 | $752,916 | $69,185 | $340,600 | $28,000 | $2,340,603 |
| 1984 | $957,593 | $832,407 | $68,780 | $368,100 | $29,000 | $2,255,880 |
| 1985 | $1,019,411 | $862,203 | $67,404 | $290,200 | $29,000 | $2,268,218 |
| 1986 | $995,693 | $867,177 | $64,187 | $299,500 | $27,742 | $2,254,299 |
| 1987 | $1,036,253 | $940,750 | $64,036 | $245,000 | $28,989 | $2,315,028 |
| 1988 | $1,071,406 | $1,008,818 | $64,234 | $247,800 | $29,679 | $2,421,937 |
| 1989 | $1,122,966 | $1,081,993 | $71,553 | $102,699 | $29,975 | $2,409,186 |
| 1990E | $1,355,720 | $1,252,970 | $73,620 | $136,099 | $31,711 | $2,850,120 |
| 1991P | $1,185,178 | $1,295,080 | $75,762 | $0 | $31,711 | $2,587,731 |

| Fiscal Year | BIA Education Program (Approps.) | BIA Indian Services Program* (Approps.) | BIA Economic Devt. Program** (Approps.) | BIA Natural Resources Program (Approps.) | U.S. Dept. of Education (Outlays) | U.S. Dept. of HHS (Outlays) |
|---|---|---|---|---|---|---|
| 1975 | $226,495 | $98,703 | $44,223 | $31,337 | $7,557,000 | $39,997,000 |
| 1976 | $243,590 | $137,616 | $52,441 | $36,012 | $8,049,000 | $46,834,000 |
| 1977 | $236,700 | $159,118 | $73,966 | $45,536 | $8,887,000 | $53,464,000 |
| 1978 | $253,203 | $189,086 | $76,422 | $76,967 | $10,037,000 | $59,329,000 |
| 1979 | $262,242 | $205,198 | $83,162 | $75,338 | $12,423,000 | $65,038,000 |
| 1980 | $270,033 | $201,128 | $77,971 | $74,237 | $14,770,000 | $76,374,000 |
| 1981 | $270,183 | $227,249 | $73,365 | $85,711 | $17,053,000 | $89,774,000 |
| 1982 | $265,606 | $235,315 | $52,884 | $84,743 | $14,808,000 | $98,020,000 |
| 1983 | $298,143 | $277,865 | $59,821 | $119,241 | $14,558,000 | $125,941,000 |
| 1984 | $255,754 | $231,355 | $59,009 | $99,657 | $15,511,000 | $121,082,000 |
| 1985 | $269,644 | $219,071 | $71,002 | $124,101 | $16,682,000 | $132,104,000 |
| 1986 | $257,299 | $211,588 | $60,810 | $135,179 | $17,673,000 | $143,253,000 |
| 1987 | $277,783 | $252,761 | $38,025 | $144,428 | $16,800,000 | $148,893,000 |
| 1988 | $238,434 | $317,198 | $39,543 | $146,010 | $18,246,000 | $159,071,000 |
| 1989 | $268,503 | $293,150 | $45,299 | $181,696 | $21,608,000 | $172,301,000 |
| 1990E | $283,486 | $296,093 | $36,496 | $124,014 | $22,316,000 | $191,174,000 |
| 1991P | $313,290 | $303,208 | $40,953 | $119,831 | $23,711,000 | $204,082,000 |

See notes at end of table.

TESTIMONY OF

WAYNE DUCHENEAUX

CHAIRMAN, CHEYENNE RIVER SIOUX TRIBE

before the

Appropriations Subcommittee on Labor, Health and

Human Services, Education and Related Agencies

April 30, 1990

Dear Chairman Natcher and Members of the Committee:

The Cheyenne River Sioux Tribe is grateful to you for allowing us the opportunity to present Testimony regarding Native American issues which would enlighten your Committee in your future legislative actions.

We view this opportunity as an encouraging effort that your committee is willing to familiarize yourselves with Native American issues. We would hope that through the knowledge shared, gained and understood, that programs benefiting Native Americans would receive appropriation increases that would enable Tribal Governments to provide quality services to their Tribal members.

We are deeply troubled with the President's proposed budget reduction for the LIHEAP program. The LIHEAP program is one of many programs which have had substantial decreases over the past 5 years. We were funded $243,322 in FY 86 and $191,069 in FY 90, a decrease of $72,253 or 30%. This has had a very negative impact on our eligible LIHEAP households.

We have the highest electrical rates in our region. 18 cents per kilowatt hour, this outrageous rate results in severe hardships on those Tribal members residing in homes heated entirely by electric heat. These households are dependent upon such programs as LIHEAP to supplement payment of their utility bills. Winters can be extremely severe in South Dakota, a heating season may last up to 6 months. There is a substantial number of fixed income households on our reservation that are faced with substandard homes, excessive utility costs and inflation.

## RECOMMENDATIONS

* Reject the President's request to reduce the FY 91 LIHEAP appropriation.

* Increase the Fy 91 appropriation by 30% to ensure adequate grant awards to eligible households.

* Program funding levels be based on actual needs, taking into consideration the number of substandard homes, excessive utility costs and poverty conditions on the reservation.

## CHEYENNE RIVER HEADSTART PROGRAM

The Cheyenne River Sioux Tribe is a Head Start Grantee. Head Start has been operating on our reservation for 26 years. The current grant provides services to 251 preschool age children. We are fortunate that Head Start has been able to operate consistently, for it is one of the few remaining governmental attempts to intervene in the proverty cycle on the Cheyenne River Reservation.

RECOMMENDATIONS:

- Appropriate construction monies to Indian Tribes for adequate facilities.

- Appropriate funds for Facilities' Improvement/Repair(FIR).

- Increase appropriations for Handicapped services due to the increasing number of children with learning and behavioral problems.

AGING

The Tribe has been concerned over the decreasing dollars for our Title VI Nutrition Program and support services to our elderly.

While the 1978 amendments to Older Americans Act created a new provision which allowed Grants to Indian Tribes. The ensuing years have resulted in a decline of services because of the lack of adequate appropriations. Our elderly population is increasing, and in order to meet their needs and carry out the intent of the Act, we are making the following recomendations:

- A distribution formula for Title VI grants to Indian Tribes be based on geographic location, level of poverty, health status and population.

- Appropriations for Title VI programs be increased to reflect base funding levels comparable to the 1978 base funding level.

* Appropriate funds to Demonstration projects designed to prevent and/or reduce Diabetes and associated health problems among the Native American elderly. These projects could be incorporated into the existing Title VI program.

WIC

The Tribal WIC Program has been a stable program providing essential Nutrition Services to our eligible members. We currently provide services to 700 clients.

Our current level of funding restricts our community education outreach efforts. To expand our outreach efforts we will require the following recommendations.

* An increase in additional appropriations for Grant recipients to implement comprehensive community education activities.

## SOCIAL SECURITY

Many of our elderly are recipients of Social Security or Supplemental Security Income (SSI). Existing regulations require Trust monies to be counted as personal income. This regulation is causing many of our tribal elderly unnecessary financial hardship. This issue has received national attention, and we are presently working on introducing Legislation which would provide for legislative amendments to exempt income derived from Trust properties with regard to Social Security and Supplemental Security Income programs.

### Recommendation

* Committee support a proposed legislative amendment to exempt income derived from Trust property as personal income for Native American recipients of SS or SSI.

## ADMINISTRATION FOR NATIVE AMERICANS

Grants support Indian tribal self-determination activities through the social and economic development strategies (SEDS). This program requires that the social, economic and governance needs of Native American communities are designed and undertaken by the communities themselves. The basic financial assistance grants awarded by ANA are to entities demonstrating prospects for effective implementation of community-based, long-term governance and social and economic development projects, thus strengthening tribal governments.

The Tribe has been the recipient of ANA Grants for the past several years. We have accomplished the following projects:

- Business Development Program
- 5 Year Comprehensive Plan
- Development of Commercial Codes
- Development of Zoning Ordinances

ANA is one of the few, if not the only federal program which allows the Tribe to prepare and submit proposals based upon actual social, economic and governance needs of the Tribe and its membership. The projects put forth by the tribes are local community developed initiatives which allows for a much greater chance of success.

According to the Congressional Research Service, funding for ANA has declined more since 1982 than any other Indian Program except for BIA Economic Development. While the funding levels have declined, the number of applicants has increased.

This increased number indicates a growing need for a substantial increase in ANA's annual appropriation. ANA currently fills a tremendous void left by the elimination of other Federal Resources available to Indian Tribes. The Cheyenne River Sioux Tribe is supportive of legislative initiatives introduced to increase ANA funding and expand its services.

We strongly recommend the following:

- * Increase FY 91 appropriation to restore the program to FY 1975 level based on inflation.
- * Request Committee to support any legislation which would authorize ANA to provide grants to improve the capability of Tribal Governments to regulate environmental quality.

Mr. Chairman, Thank you for the opportunity to provide Testimony on these issues. On behalf of the Cheyenne River Sioux Tribe and Indian Country as a whole, I would like you to know that we appreciate your concern and interest. What we will appreciate even more, however, is your follow-up on our recommendations.

NATIVE AMERICAN FISH & WILDLIFE SOCIETY
750 Burbank Street • Broomfield, Colorado 80020
Phone: (303) 466-1725 • FAX: (303) 466-5414

## FY91 TESTIMONY
## before the
## HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR - HEALTH AND HUMAN SERVICES

**Honorable William Natcher, Chairman**

Mr. Chairman, Distinguished Committee Members, and Fellow Witnesses:

I am Dewey Schwalenberg, Executive Director of the Native American Fish & Wildlife Society. Thank you for the opportunity to participate on a panel of Native Americans to provide the Committee with our views about funding for the programs under the Committee's jurisdiction which provide assistance to Native Americans. On behalf of the 39 member Tribes of the Society, we particularly appreciate this opportunity to testify and would hope the Committee would provide similar opportunities in future years. I am going to focus my comments on one particular programs -- the Administration for Native Americans (ANA), which is administered by the Department of Health and Human Services.

The Native American Fish & Wildlife Society is a non-profit 501(c)(3) Indian organization of 39 member tribes, over 500 professional Indian resource managers and technicians, 400 non-Indian professional fish and wildlife persons and 15 affiliate organizations that work on-reservation with Tribal Governments. The Society's main objective is to provide training and technical assistance to Tribes in developing cooperative fish, wildlife and recreation management programs which inter-face with the professional management entities of the state, federal and private sector. The Society further works to develop management models to help in mitigating the effects that Tribal management has on surrounding state, federal and local units of government and resources used in common. Such mitigation supports the maintenance of Tribal sovereignty and cultural, religious, subsistence and social values as they relate to the Tribes' natural resource base.

During the past eight years, the Administration for Native Americans (ANA) has actively supported Tribal development in natural resource management. ANA has contributed well over $15 million to individual Tribal natural resource projects which provided Governance, Social, and Economic Development opportunities that were unavailable from other federal and state agencies. Such support has provided the Tribal local communities with direct involvement in development of natural resource management objectives and comprehensive long range management plans. ANA's assistance cannot be overemphasized in its importance in providing the Tribal Government with the "self-determination" opportunities that do not exist in the relationship between Tribes and other agencies. Funding from ANA, through direct grants to Tribal governments, has placed the responsibility of managing projects within the Tribal Government where, we feel, it belongs. ANA's Panel Review Process allows Native Americans the opportunity to assess the potential impact of the project on Indian communities. These qualities make ANA the leading organization among Tribes for provision of direct funding for Tribal development. Tribal support for increased funding for ANA can be assured because of this role that ANA maintains between the Tribes and the Federal government.

Of particular benefit to Tribes is the focus that ANA has developed in assisting Tribes with development of natural resource management capabilities. The ~~Society~~ Social and Economic Development Strategies (SEDS) concept that ANA maintains, has served to focus Tribal Governments on a holistic integrated resource management concept that is based upon an understanding of the relationship that the resource has with the Indian community. By formulating Governance, Social and Economic Development requirements into the projects, funded by ANA, the traditional values of the community are melded with the legal requirements of the Tribal Government, and the oftentimes harsh economic requirements of the proposed action. This realistic approach has caused Tribal communities to come to grips with the real issues of long term resource development. Such an approach has also moved the Tribes toward recognition of the existence of non-Indian resource user groups that affect Tribal management and use of its resources. Collectively, we feel, the ANA SEDS concept has provided the single-most important economic incentive to Tribal Governments to assume the authority to manage their natural resources, in the history of Tribal/Federal Government relationship. Truly the SEDS concept allows the Tribes to be THE managers, whereas "other" agency plans force the Tribes' resources to be managed without direct community involvement.

Examples of the projects that have been developed and funded as a result of the ANA program show the creativity and diversity of the Tribal community in dealing with its problems.

[illegible] Tribal Government [illegible] development of [illegible] Tribal fish and wildlife [illegible] fish and wildlife [illegible] organizations, inter-Tribal natural resource [illegible], [illegible] and land use zoning programs, conservation codes and ordinances, environmental impact assessments and commensurate reports, public information programs to mitigate the impact of treaty hunting and fishing rights across the country; natural resource courts to process violations of Tribal codes and ordinances; fisheries, wildlife and forestry management programs to provide bio-geographical data and comprehensive resource management plans in support of the commercial and subsistence needs of the community; natural resource production and marketing programs to provide a source of revenue to Tribal activities; and socially acceptable employment to reduce Tribal dependance on social and welfare programs.

Social: Projects funded by ANA have supported the use of Tribal resources as a means to support the development of a sound TRIBAL community atmosphere that depends upon a flourishing natural resource base and include: Recreational campgrounds, recreational vehicle parks, marinas, and fishing and hunting programs to stimulate appreciation for the natural resources and socially acceptable recreation opportunities; museums and cultural and heritage centers for the maintenance of Indian religious and cultural values, the training of Tribal members in traditional values, and stimulation of cross-culture understanding by non-Indian groups; socially acceptable employment in the fields of natural resources such as forestry, fisheries, wildlife, and recreation administrators,

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[illegible] and [illegible] and educational [illegible] programs and [illegible] and train Tribal members in the [illegible] and cultural values of maintaining an adequate resource base for permanent use by the community. The result of these socially oriented educational projects has been to define the natural resource stewardship responsibility that the Tribal community has assumed to maintain the religious and cultural values that long term community social-health depends upon.

Economic Development: Projects funded by ANA in support of Tribal natural resource economic development have provided for community growth and income generation. Diverse projects in aquaculture of warm water fin fish, mariculture of salmon, shellfish, halibut and herring roe on kelp fisheries, and game farming of big game animals, waterfowl, and upland game birds have provided Tribes with products for direct sale or recreational sporting opportunities which provide licenses and permit revenues. Such economic development has helped to decrease the import on the wild population of fish and game that is of paramount importance to the Tribal membership while creating anew source of products for income generation.

Development of processing plants, production facilities and marketing programs for natural resource products have provided meaningful employment to Tribal members and much needed revenues to Tribal Governments. Forestry, wild rice, berries, and wild plant production and harvest have afforded the community the opportunities for local consumption, international marketing and

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use in developing traditional arts and crafts products for sale by Tribal [illegible] industry in concert with museum culture center programs. Traditional [illegible] wildlife products such as bone, antlers, ivory, hides, porcupine quills, [illegible] shells, etc. through sound management projects supported by ANA [illegible] be used to support economic development opportunities in [illegible] across the country. In addition, these items provide the basis for the [illegible] barter system that is so much a part of traditional Tribal economics.

Agriculture projects such as citrus plant nurseries, [illegible] projects, and irrigated farming operations provide direct benefits [illegible] members and economic opportunities previously unavailable [illegible] Governments.

In summary, the Administration for Native Americans has [illegible] integrally woven into the fabric of Tribal community development [illegible] the community needs. ANA does not dictate through policy or regulation [illegible] the community must do and recognizes that community development [illegible] viable funding base is no community at all. ANA's success as [illegible] leading supporter of Tribal community development is clear by the [illegible] requests that it receives in its three funding periods per year. [illegible] requests have doubled while the appropriation has declined in [illegible] dollars. The Native American Fish & Wildlife Society [illegible] Committee to provide the $30 million increase for ANA in FY[illegible] [illegible] this as a permanent increase to the base for this worthwhile program to [illegible] unmet needs currently existing in Indian country today. The [illegible]

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make up the membership of the Native American Fish & Wildlife Society support this request as well. We would be honored to supply information or technical analysis of the projects previously mentioned to firmly establish the success and relevancy of the project to community development.

Thank you for the opportunity to testify in behalf of the commendable job that ANA is doing with Tribal natural resource development.

Respectfully submitted,

Dewey Schwalenberg

Dewey Schwalenberg, Executive Director
Native American Fish & Wildlife Society

MONDAY, APRIL 30, 1990.

## LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

### WITNESS

### JOHN V. MILANTONI, PRESIDENT, EQUITABLE GAS COMPANY IN PITTSBURGH, REPRESENTING UNITED DISTRIBUTION COMPANIES

Mr. NATCHER. Our next witness is Mr. John Milantoni. Mr. Milantoni, we will be pleased to hear from you at this time.

Mr. MILANTONI. Good afternoon, Mr. Chairman. I am John Milantoni, President of the Equitable Gas in Pittsburgh, Pennsylvania. Equitable is a division of Equitable Resources. We distribute natural gas in Pennsylvania, West Virginia and Kentucky.

I am here to testify as a representative of the United Distribution Companies, "UDC" which is an ad hoc group of utility companies providing energy service to the general public. UDC is comprised of 38 companies in 14 States whose names and locations are set forth in Appendix 1. UDC member companies provide natural gas distribution service primarily in the midwestern and northeastern sections of the nation.

On UDC's behalf, I am pleased to have this opportunity to appear before the subcommittee in support of the Low-Income Home Energy Assistance Program, LIHEAP.

I am here today to acknowledge the leadership this subcommittee has provided over the years in support of LIHEAP. Without the work of Chairman Natcher and the ranking minority Member, Representative Silvio Conte, there might not be a Low Income Home Energy Assistance Program.

Members of the subcommittee are aware that Congressman Dale Kildee, Chairman, Subcommittee on Human Resources, has recommended a level of $$2,015,000,000 for LIHEAP in fiscal year 1991. This recommendation, in our view, more nearly reflects the level of need for the program. We recognize this proposed funding level is above the current appropriation for the LIHEAP Program; however, we feel strongly that the current services level of funding is insufficient. Therefore, UDC believes that a $1,800,000,000 appropriation is a reasonable amount, considering the current budget constraints in fiscal year 1991.

As you are aware, for fiscal year 1991, the Administration proposed a $1,050,000,000 allocation to LIHEAP, which is a 24 percent cut over the current year.

The impact of cuts to the Low Income Home Energy Assistance Program for Western Pennsylvania and, more specifically, for Equitable Gas Company customers can be seen by the chart attached as Exhibit 2. I use this as an example and do not imply that Equitable is somehow "special" in this regard. For the most part recipients are the working poor, the handicapped, and the low-income elderly. According to the latest available HHS data, more than 60 percent of LIHEAP recipients have an annual income of $6000 or less. LIHEAP is critically important to these households, who barely make ends meet. LIHEAP covers only a small portion—about 20 percent—of the recipients' total energy bills. On the average, the recipients still must pay nearly $700 annually after receiving aid.

At current funding levels, LIHEAP can serve less than 35 percent of all eligible households. Funding cuts from 1987–1990 have meant over 1,000,000 fewer households, or nearly 3,000,000 fewer low-income individuals were able to participate in the program. The additional funding cut proposed for 1991 will add to the existing hardship for these individuals in many states.

The elderly population is not homogeneous. Because of greater life expectancy, women comprise 63 percent of the elderly and 73 percent of the elderly poor, Commonwealth Fund Commission, 1987.

According to the U.S. Senate Committee on Aging, "the elderly generally consume fewer goods and services than the non-elderly and spend higher proportions of their total budgets on essentials." Basic expenditures on shelter, utilities, food and health care require a higher percentage of their income when compared to younger age groups.

In a case specific issue in the service area where our company operates, the older Pennsylvanian utilizing utility service presently comprises 27 percent of our entire residential customer base, and is growing.

The elderly, while usually the best and most consistent rate paying customer for most utilities in the nation, are facing increasing demands on slim budgets. They are beginning to make critical life care decisions which affect their mode of existence. Issues, such as health care, long term care, housing, employment, protective services and insurance, which have not been currently resolved for this age group, are impacting their real capability to pay energy bills.

One misconception that the Administration would have Congress accept as face in justifying further LIHEAP cuts must be rebutted. The assertion that there are significant supplemental sources of fuel aid funding that lessen the impact of lower LIHEAP funding is simply not so.

Adding to this problem is the misconception that oil overcharge funds can take up the slack and provide for the shortfall. A recent National Consumer Law Center survey funded by DOE showed that 95 percent of oil overcharge funds that states received through January 1990 had been used up. Even though in the last few years the nation has had somewhat milder temperatures during the heating season, we have still seen reductions in grant assistance. Moreover, should we experience normal or below normal conditions, i.e., December 1989, the effects will be devastating.

I do not want to imply that the burden of the low-income consumers' needs rests solely on the Federal Government. The states and the private sector also have a responsibility and they do contribute significantly to the needs of these consumers. UDC member companies have developed several innovative and effective programs in this area.

For example, at Equitable Gas, we could see long ago that local needs outpaced the federal LIHEAP commitment. Thus, in 1986, we joined the Dollar Energy Fund, DEF, to take up the slack created by the short falls of LIHEAP. The focus of DEF is to help people who have exhausted their government entitlements or those who were ineligible, for some reason, although still deserving of assistance.

We decided at the start that DEF would help all eligible consumers, not just those that received natural gas service. We arranged to have a private, non-profit organization administer the program, and they have served the role with care, fairness and accountability.

The DEF program also involves individual utility customers in the process. Our ratepayers may participate by including a contribution to DEF with their fuel bill payment. In its six year existence, DEF has raised more than $7,700,000 and has helped more than 22,600 people stay warm throughout the year. In addition, many utility employees contributed voluntarily to those programs.

Since the late 1970's, many UDC member companies have created and helped finance private fuel fund programs and weatherization projects in an effort to supplement LIHEAP and other federal programs. A survey sponsored jointly by UDC, the National Fuel Funds Network, and the Edison Electric Institute provides a statistical portrait of the utility fuel fund programs of 121 companies. The study clearly establishes that utility fuel funds are providing some measure of support for low-income households.

Despite the efforts of UDC member companies' fuel fund and other innovative financial support programs from the private sector, the need for adequate federal funding of LIHEAP remains imperative.

Certainly, both the private and public sectors must be prudent money managers. However, as I have stated earlier, assistance is needed for the low-income, and elderly consumers who are struggling desperately to make ends meet. There is a limit on the degree of assistance state and local governments and business can provide to supplement the federal budget cuts of the LIHEAP program.

On behalf of UDC and its member companies, I respectfully urge you and your fellow Representatives to support our recommendation to fund LIHEAP at the level of $1,800,000 for fiscal year 1991.

Thank you for giving us the opportunity to appear before you today, sir.

Mr. NATCHER. Thank you very much, Mr. Milantoni. You have given us an excellent statement and we appreciate it very much.

[The statement of John Milantoni follows:]

# TESTIMONY

JOHN V. MILANTONI, PRESIDENT
EQUITABLE GAS COMPANY

ON BEHALF OF

UNITED DISTRIBUTION COMPANIES

BEFORE THE
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES

ON
FY 1991 APPROPRIATIONS FOR THE
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
(LIHEAP)

April 30, 1990
2:15 P.M.

## INTRODUCTION

Mr. Chairman and members of the Subcommittee:

I am John V. Milantoni, President of the Equitable Gas Company in Pittsburgh, PA. Equitable Gas Company is a division of Equitable Resources, Inc. Equitable Gas distributes natural gas in Pennsylvania, West Virginia and Kentucky. I serve on the Executive Board of the Pennsylvania Gas Association (P.G.A) and I am a member of the American Gas Association's (A.G.A.) Consumer and Community Affairs Committee.

I am here to testify as a representative of the United Distribution Companies ("UDC") which is an ad hoc group of utility companies providing energy service to the general public. UDC is comprised of 38 companies in fourteen (14) states whose names and locations are set forth in Appendix 1. UDC member companies provide natural gas distribution service primarily in the midwestern and northeastern sections of the Nation.

On UDC's behalf, I am pleased to have this opportunity to appear before the subcommittee in support of the Low-Income Home Energy Assistance Program (LIHEAP).

UDC member companies are committed to meeting the energy needs of all of our consumers, including those who are on lower or fixed incomes. UDC has long supported federal energy assistance programs such as LIHEAP and the Department of Energy's Weatherization programs. In addition to supporting federal funding efforts, UDC's member companies have contributed significantly to low-income energy assistance at local levels.

I am here today to acknowledge the leadership this subcommittee has provided over the years in support of LIHEAP. Without the work of Chairman Natcher and the ranking minority member, Rep. Silvio Conte, there might not be a Low Income Home Energy Assistance Program. Members of the Subcommittee are aware that Congressman Dale Kildee, Chairman, Subcommittee on Human Resources, has recommended a level of $2.15 billion for LIHEAP in FY 1991. This recommendation, in our view, more nearly reflects the level of need for the program. We recognize this proposed funding level is above the current appropriation for the LIHEAP Program; however, we feel strongly that the current services level of funding is insufficient. Therefore, UDC believes that a $1.8 billion appropriation is a reasonable amount, considering the current budget constraints in FY 1991.

As you are aware, for FY 91, the Administration proposes a $1.05 billion allocation for LIHEAP, which is a 24 percent cut over the current year.

We realize this is a difficult budget year, but as this subcommittee knows, LIHEAP has already taken more than its share of funding cuts. Certainly, any additional reduction would severely restrict our ability to continue to meet even the minimum needs of the low-income consumer.

## LIHEAP FUNDING CUTS AFFECT ALL ENERGY CONSUMERS

The impact of cuts to the Low Income Home Energy Assistance Program for Western Pennsylvania and, more specifically, for Equitable Gas Company customers can be seen by the chart attached as Exhibit 2. I use this as an example and do not imply that Equitable is somehow 'special' in this regard. All of us who daily struggle with the problems associated with the poor, the unemployed, the under-employed, and the frail elderly, understand the need to have the LIHEAP program funded at the highest level possible. For the most part recipients are the working poor, the handicapped, and the low-income elderly. According to the latest available HHS data, more than 60 percent of LIHEAP recipients have an annual income of $6,000 or less. LIHEAP is critically important to these house-holds, who barely make ends meet. LIHEAP covers only a small portion--about 20 percent--of the recipients' total energy bills. On the average, the recipients still must pay nearly $700 annually after receiving aid. A LIHEAP recipient household spends an average of 16 to 25 percent of its entire income for home energy; whereas, the average U.S. household spends 3 percent of its income for energy.

At current funding levels, LIHEAP can serve less than 35 percent of all eligible households. Funding cuts from 1987 - 1990 have meant over one million fewer households, or nearly 3 million fewer low-income individuals were able to participate in the program. The additional funding cut proposed for 1991 will add to the existing hardship for these individuals in many states.

There is another class of consumer whose plight is worsened by reduced federal funding, and these are the thousands of consumers who are elderly and move in and out of the fringe of LIHEAP eligibility.

The elderly population is not homogeneous. Because of greater life expectancy, women comprise 63% of the elderly and 73% of the elderly poor (Commonwealth Fund Commission, 1987). Contrary to some media reports which indicate that the elderly are economically well off, as a group they have a lower economic status than other adults in our society. Heads of households over the age of 65 had a median income of $19,932 in 1986. The median income of older persons living alone drops significantly to $12,471 for men and only $7,103 for older women (U. S. Bureau of Census, 1989).

Black and Hispanic elderly have substantially lower incomes than their white counterparts
(U. S. Senate Committee on Aging, 1988).

The elderly hold far fewer assets than many people assume. The "Survey of Consumer Finances" conducted by the Federal Reserve Board found that the median financial liquid assets of all households with heads of households over age 65 was approximately $11,000 in 1983. Although almost 40 percent of persons 65 and over own their home, this is for many their only asset.

According to the U.S. Senate Committee on Aging, "the elderly generally consume fewer goods and services than the non-elderly and spend higher proportions of their total budgets on essentials." Basic expenditures on shelter, utilities, food and health care require a higher percentage of their income when compared to younger age groups.

In a case specific issue in the service area where our company operates, the older Pennsylvanian utilizing utility service presently comprises 27 percent of our entire residential customer base, and is growing.

The elderly, while the best and most consistent rate paying customer for most utilities in the nation, are facing increasing demands on slim budgets. They are beginning to make critical life care decisions which effect their mode of existence. Issues, such as health care, long term care, housing, employment, protective services and insurance, which have not been currently resolved for this age group, are impacting their real capability to pay energy bills.

## STATE SUPPLEMENTS ARE ONLY TEMPORARY

One misconception that the Administration would have Congress accept as fact in justifying further LIHEAP cuts must be rebutted. The assertion that there are significant supplemental sources of fuel aid funding that lessen the impact of lower LIHEAP funding is simply not so.

Adding to this problem is the misconception that oil overcharge funds can take up the slack and provide for the shortfall. A recent National Consumer Law Center survey funded by DOE showed that 95 percent of oil overcharge funds that states received through January 1990 had been used up. Fortunately, in the last few years, the nation has had somewhat milder temperatures during the heating season; however, should we experience normal or below normal conditions, i.e., December 1989, the effects will be devastating.

## EXISTING UTILITY PROGRAMS CAN ONLY SUPPLEMENT LIHEAP FUNDING

I do not want to imply that the burden of the low-income consumers' needs rests solely on the federal government. The states and the private sector also have a responsibility and they do contribute significantly to the needs of these consumers. UDC member companies have developed several innovative and effective programs in this area.

For example, at Equitable Gas, we could see long ago that local needs outpaced the federal LIHEAP commitment. Thus, in 1986, we joined the Dollar Energy Fund (DEF) to take up the slack created by the short falls of LIHEAP. The focus of DEF is to help people who have exhausted their government entitlements or those who were ineligible, for some reason, although still deserving of assistance. Equitable Gas has served as a sponsor along with other local Western Pennsylvania gas and electric utilities in providing most of the promotional support and annual contributions to the fund.

We decided at the start that DEF would help all eligible consumers, not just those that received natural gas service. We arranged to have a private, non-profit organization administer the program, and they have served the role with care, fairness and accountability.

The DEF program also involves individual utility customers in the process. Our ratepayers may participate by including a contribution to DEF with their fuel bill payment. In its six year existence, DEF has raised more than $7.7 million and has helped more than 22,600 people stay warm throughout the year. We have seen many of our customers indicate a willingness to support DEF by returning a pledge card to our Companies (Exhibit 3). Thus, DEF has provided a vital service to our communities, and we consider it to be a successful adjunct to LIHEAP. In addition, many utility employees contributed voluntarily to those programs.

Since the late 1970s, many UDC member companies have created and helped finance private fuel fund programs and weatherization projects in an effort to supplement LIHEAP and other federal programs. A survey sponsored jointly by UDC, the National Fuel Funds Network, and the Edison Electric Institute provides a statistical portrait of the utility fuel fund programs of 121 companies. The study clearly establishes that utility fuel funds are providing some measure of support for low-income households.

Despite the efforts of UDC member companies' fuel fund and other innovative financial support programs from the private sector, the need for adequate federal funding of LIHEAP remains imperative.

## CONCLUSION

Certainly, both the private and public sectors must be prudent money managers. However, as I have stated earlier, assistance is needed for the low-income, and elderly consumers who are struggling desperately to make ends meet. There is a limit on the degree of assistance state and local governments and business can provide to supplement the federal budget cuts of the LIHEAP program.

On behalf of UDC and its member companies, I respectfully urge you and your fellow Representatives to support our recommendation to fund LIHEAP at the level of $1.8 billion for FY 91.

Thank you for your time today.

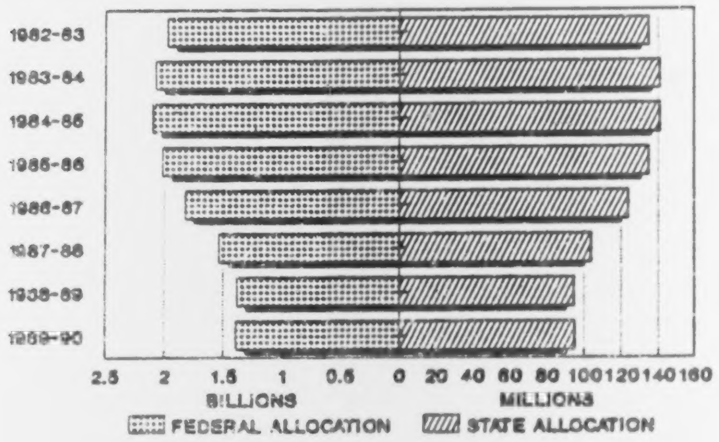
## APPENDIX 1

## MEMBERS OF UNITED DISTRIBUTION COMPANIES

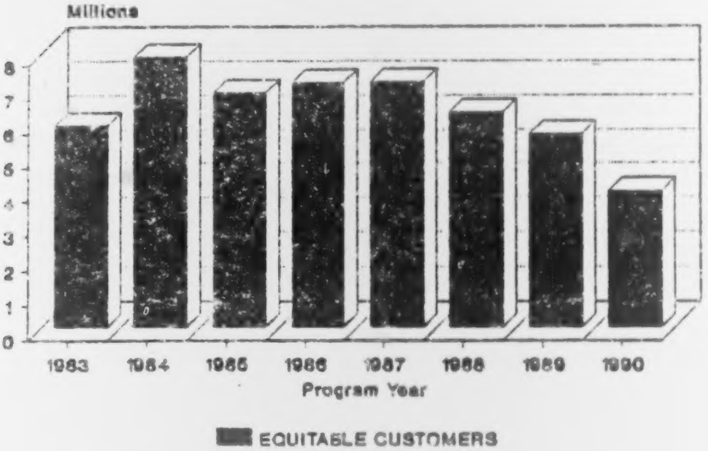
| Company | State | Center of Service |
|---|---|---|
| BATTLE CREEK GAS COMPANY | Michigan | Battle Creek |
| CENTRAL ILLINOIS LIGHT COMPANY | Illinois | Peoria |
| CENTRAL ILLINOIS PUBLIC SERVICE COMPANY | Illinois | Quincy |
| CITIZENS GAS FUEL COMPANY | Michigan | Adrian |
| COLUMBIA GAS OF KENTUCKY | Kentucky | Lexington |
| COLUMBIA GAS OF MARYLAND | Maryland | Hagerstown |
| COLUMBIA GAS OF NEW YORK | New York | Binghampton |
| COLUBMIA GAS OF OHIO | Ohio | Columbus |
| COLUMBIA GAS OF PENNSYLVANIA | Pennsylvania | Pittsburgh and York |
| COMMONWEALTH GAS SERVICES INC. | Virginia | Richmond |
| THE DAYTON POWER AND LIGHT COMPANY | Ohio | Dayton |
| THE EAST OHIO GAS COMPANY | Ohio | Cleveland and Akron |
| EQUITABLE GAS COMPANY | Pennsylvania, Kentucky and West Virginia | Pittsburgh |
| HOPE GAS, INC. | West Virginia | Clarksburg |
| ILLINOIS POWER COMPANY | Illinois | Decatur |
| INDIANA GAS COMPANY | Indiana | Muncie |
| KOKOMO GAS AND FUEL COMPANY | Indiana | Kokomo |
| MICHIGAN CONSOLIDATED GAS COMPANY | Michigan | Detroit |
| MICHIGAN GAS COMPANY | Michigan | Three Rivers |
| MICHIGAN GAS UTILITIES COMPANY | Michigan | Monroe |
| NATIONAL FUEL DISTRIBUTION CORPORATION | New York and Pennsylvania | Buffalo and Erie |
| NIAGARA MOHAWK POWER CORPORATION | New York | Syracuse and Albany |
| NORTH SHORE GAS COMPANY | Illinois | Waukegan |
| OHIO GAS COMPANY | Ohio | Bryan |
| ORANGE & ROCKLAND UTILITIES, INC. | New York and New Jersey | Spring Valley |
| THE PEOPLES GAS LIGHT AND COKE COMPANY | Illinois | Chicago |
| THE PEOPLES NATURAL GAS COMPANY | Nebraska<br>and Minnesota | Bellevue<br>Rochester |
| THE PEOPLES NATURAL GAS COMPANY | Pennsylvania | Pittsburgh |
| RICHMOND GAS CORPORATION | Indiana | Richmond |
| THE RIVER GAS COMPANY | Ohio | Marietta |
| ROCHESTER GAS AND ELECTRIC CO. | New York | Rochester |
| SOUTHEASTERN MICHIGAN GAS CO. | Michigan | Port Huron |

| | | |
|---|---|---|
| UNION ELECTRIC COMPANY | Missouri and Illinois | Jefferson City and Alton |
| WEST OHIO GAS COMPANY | Ohio | Lima |
| WISCONSIN FUEL AND LIGHT CO. | Wisconsin | Manitowoc |
| WISCONSIN GAS COMPANY | Wisconsin | Milwaukee |
| WISCONSIN NATURAL GAS COMPANY | Wisconsin | Racine |
| WISCONSIN SOUTHERN GAS COMPANY | Wisconsin | Lake Geneva |

## LIHEAP FUNDING



## LIHEAP FUNDING RECEIVED



March 30, 1990

MONDAY, APRIL 30, 1990.

## LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

### WITNESS

### JANET PARRISH, CHAIRPERSON, NATIONAL FUEL FUNDS NETWORK AND EXECUTIVE DIRECTOR, UTILITY EMERGENCY SERVICES FUND

Mr. NATCHER. Our next witness is Janet Parrish, chairperson, National Fuel Funds Network and Executive Director, Utility Emergency Services Fund.

Ms. PARRISH. Thank you, Mr. Chairman.

I would like to echo Mr. Milantoni's remarks in expressing appreciation to you and Mr. conte for the great support you have given to the LIHEAP program in the past including the supplemental appropriation that you referred to.

We are here today supporting a funding level in the range of $2,000,000,000 for the LIHEAP program in fiscal year 1991. Just a word on who the National Fuel Funds Network is, sir.

The National Fuel Funds Network, NFFN, is a membership organization, now six years old, comprised of over 100 dues-paying representatives of private fuel funds, community action and social service organizations, utilities, regulators and others. Thus, we represent a national, grassroots level perspective on the dimensions of the energy/poverty problem. Our members have a commitment to increasing the financial and human resources available to address the energy needs of low-income households. Of course that funding is no where near enough to make up the shortfall from the Administration funding cuts. Some of the states have already been cited in Mr. Milantoni's testimony. We have become quite alarmed about the number of households we see in the city of Philadelphia who live each year without any source of heat whatsoever or the thousands more who are using potentially dangerous alternative sources of heat like space heaters, candles, et cetera, which have led to an unfortunate number of tragic fires that have occurred in the past three or four months along.

We have lost 11 young children in the city of Philadelphia alone. I would submit to you that the crucial preventive role that LIHEAP plays in alleviating the problems of property abandonment and protecting life itself cannot be under rated or under played. LIHEAP's benefits as indicated in my written testimony serve the neediest, most vulnerable segments, the elderly, the young working poor, et cetera. We have seen some concern about the apparent decrease in LIHEAP application rates recently. That has been pointed out by the Administration as indicating a lessened need for this program.

We trust that this committee will continue to see that that is not the case. In fact the lower numbers of households receiving LIHEAP benefits is directly traceable to steps that have been taken by many of the states in direct response to the 33 percent funding cut that has occurred over the past several years. These include such steps as lowering income eligibility maximums that exclude previously eligible households, shortening program operation dates. Increasing income eligibility documentation requirements, et cetera.

The point is this: I would like to leave you with a thought that has been haunting me ever since I read this in the newspapers several months ago. It was a comment made by one of the neighbors to a reporter looking at the results of one of these fire tragedies I referred to. Her comment was, there were good neighbors. Their only problem was they were poor and they did not have any heat. When the Administration tells you that the need for LIHEAP has lessened they have blinders on. We trust this subcommittee instead will continue to demonstrate the kind of leadership and concern it has shown for the millions of American households for whom, too, their only problem is their poverty and their inability to maintain their essential heat and utility services.

Thank you very much for the opportunity to appear here today. We remain available for any questions or further information that you might need.

Mr. NATCHER. Thank you, Ms. Parrish. You have given us an excellent statement. We appreciate your appearance.

[The statement of Janet Parrish follows:]

# TESTIMONY ON THE FFY 1991 APPROPRIATION FOR THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

SUBMITTED TO THE U. S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, EDUCATION AND
RELATED AGENCIES OF THE COMMITTEE ON APPROPRIATIONS
THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN

APRIL 30, 1990 (2:20 P.M.)

BY JANET PARRISH
CHAIRPERSON, NATIONAL FUEL FUNDS NETWORK
AND EXECUTIVE DIRECTOR, UTILITY EMERGENCY SERVICES FUND

1315 WALNUT STREET SUITE 1708
PHILADELPHIA, PA 19107
(215) 732-3111

Thank you for the opportunity to submit this written testimony supporting funding for the Low Income Home Energy Assistance Program (LIHEAP) in FFY 1991 in the range of $2 billion. At the outset, we wish to express our sincere appreciation to Chairman Natcher, Ranking Minority Member Conte and the members of this subcommittee for their ongoing leadership in the effort to secure a minimally adequate level of federal LIHEAP funding.

The National Fuel Funds Network (NFFN) is a membership organization, now six years old, comprised of over 100 dues-paying representatives of private fuel funds, community action and social service organizations, utilities, regulators and others. Thus, we represent a national, grass-roots level perspective on the dimensions of the energy/poverty problem. Our members share a commitment to increasing the financial and human resources available to address the energy needs of low-income households. The NFFN serves as a clearinghouse for information exchange and technical assistance for private fuel funds that have developed all over the country.

"Fuel funds" are private sector, community-based efforts to supplement inadequate federal LIHEAP funding and provide "last resort" emergency energy assistance to some of our country's neediest and most vulnerable citizens. These public-private partnerships generally involve a working relationship between one or more utility companies and one or more social service providers. A recent NFFN survey, completed in cooperation with the American Gas Association and the Edison Electric Institute, found that our private sector fundraising efforts contribute at least $31 million annually as a critical supplement to LIHEAP benefits on behalf of nearly 200,000 households. Cumulatively, as of 1987, the 121 respondents (who were from 45 states and the District of Columbia) had provided a total of $131.42 million to 857,527 households. This represents remarkable stability in the private sector's contribution to the energy needs of low income households during a time when, by contrast, LIHEAP funding dramatically declined.

Well over one million American households express their concern about the energy needs of the poor by regularly contributing to their local fund. Given the plethora of worthy charitable causes calling for support, this is significant. At the same time, we find that many potential contributors--individuals and corporations alike--want to know why government is not fulfilling its responsibility to support an adequately-funded LIHEAP.

The role of private fuel funds in relation to LIHEAP and the gravity of the situation at the local level is well-illustrated by the case of the Utility Emergency Services Fund (UESF). UESF is a non-profit charitable organization which, since its inception in May 1983, has provided over $16 million in energy assistance on behalf of over 40,000 poverty-level Philadelphia households, totaling some 120,000 people. This makes us the largest private fuel fund in the country; yet, we are barely scratching the surface of the need that exists.

To be eligible for UESF's assistance, households must have incomes below the federal poverty level, and have already exhausted available benefits from LIHEAP and its Crisis component. However, in a city where, each year, some 70,000 households receive a LIHEAP grant and some 25,000 households receive a Crisis grant as well, demand for the supplemental assistance UESF provides far outstrips our ability to meet it.

Significantly, the average grant provided by UESF ($400) is equal to the average grant provided by LIHEAP ($220) and Crisis ($180) combined! In the wake of federal funding cuts since FY 1985, Pennsylvania has reduced the average LIHEAP grant paid by one-third (from $316 to $220); since heating and energy costs have continued to climb, the LIHEAP grant now covers less than 20% of annual home energy costs--compared to the 40% coverage it used to afford. The inadequacy of the LIHEAP grant to offset home heating and energy costs, thus, creates an overwhelming demand for the very limited supplemental assistance UESF and other fuel funds struggle to provide.

The realities faced by UESF and the clients it serves each day should definitively shatter anyone's misconceptions that the energy crisis of the poor is a thing of the past. Despite the existence of LIHEAP, UESF, weatherization programs and the various payment plans and customer assistance programs offered by our local utilities, over 50,000 terminations of utility service take place annually in Philadelphia. While Pennsylvania has unusually strict winter shut-off protections in effect, they do not solve the problem. Rather, the fact that many utility terminations--stemming from prior heating season bills--occur during warmer weather merely underscores the year-round nature of the problem. Yet when they occur, the LIHEAP program is closed down, leaving only the private fuel fund to attempt to respond to these needs.

Households who cannot raise sufficient funds to arrange for restoration of their utility service in time for the next heating season face serious and chilling choices. This bitter reality was amply demonstrated by the series of well-publicized tragedies which occurred around the country from December 1989 through March 1990, involving absence of home heating or the use of potentially dangerous alternatives. The six with which I am most familiar occurred in Philadelphia, and resulted in the deaths of three adults (two of them elderly) and eleven young children (only four of whom were over the age of three).

The two senior citizens froze to death in a home which used oil heat; their tank was empty. Apparently, they had no telephone with which they could have reached out to the LIHEAP or the Crisis program to obtain the necessary emergency supply of oil; and the neighbors realized--too late--that they had not seen an oil truck make a delivery for some time. Obviously, winter moratoria offer no protection whatsoever to the 30% of low-income households who heat with unregulated fuels; LIHEAP is their only lifeline.

In the other situations, the electric and/or gas service had previously been terminated for unpaid bills, and the potentially hazardous alternatives that too many low-income households depend upon as their only course of action for survival were in use: candles, space heaters, overloaded extension cords or illegal connections to the electrical service of the neighboring property. Reacting to one of the resulting fires, a neighbor--the "block captain", known to all on the block as "Mom"--told a newspaper reporter:

> They were good neighbors. The only problem was, they were poor and they didn't have no heat.

For how many countless other American households is this their "only problem"? How many more must freeze to death--or, in other times and climes, die from heat exhaustion--before there is a national recognition that the low-income energy crisis still exists?

The devastating magnitude of this crisis can be glimpsed in statistics compiled by UESF, extracted from annual surveys performed just before the onset of winter by the Philadelphia utilities. These data demonstrate the vast number of potential tragedies waiting to occur, where still-occupied homes are totally without any heating source whatsoever and an even larger number make use of potentially dangerous alternative heating sources like those involved in the recent fires. Perhaps even more alarming, they illustrate the connection between loss of heat or utility service and the eventual abandonment of the property. A home without any basic heat or utility services, particularly during the winter but at other times as well, cannot remain a safe, healthy or livable environment for long. While the causes of homelessness in our society are many and complex, and certainly cannot be attributed to loss of heat or utility service alone, according to a recent study by Temple University for the Coalition on Homelessness in Pennsylvania, loss of utility service was cited as the precipitating cause of homelessness in nearly 10% of the cases. The preventive role played by LIHEAP and the fuel funds in preserving the homes of low-income households and avoiding the more serious consequences of property abandonment--for both the families involved, their neighborhood and society as a whole--cannot be overrated.

| | # off-accts surveyed | # vacant | # occupied & unheated | # utilizng alternate htg source |
|---|---|---|---|---|
| Dec. 1989 | | | | |
| PGW | 6,207 | 1,135 | 737 | 2,369 |
| PECO | 3,373 | 1,344 | 8 | 113 |
| Dec. 1988 | | | | |
| PGW | 6,228 | 1,519 | 923 | 2,016 |
| PECO | 3,067 | 982 | 18 | 217 |
| Dec. 1987 | | | | |
| PGW | 7,172 | 1.149 | 794 | 1,946 |
| PECO | 3,010 | 1,129 | 18 | 163 |
| WATER | 5,500 | 1,100 | n/a | n/a |
| Dec. 1986 | | | | |
| PGW | 5,847 | 1,108 | 152 | 1,414 |
| PECO | 2,420 | 767 | 15 | 62 |

(Sources: Reports of the Philadelphia Gas Works and the PA Public Utility Commission's Bureau of Consumer Services. WATER data was obtained verbally from Philadelphia Revenue Commissioner, C. Weiss.)

The foregoing data, as shocking as they are, vastly understate the scope of the problem, since they are based on a "snapshot" at one point in time and capture the results only for those properties to which service was shut-off within the preceding year. Extrapolating from these data, together with statistics compiled by Philadelphia's Low Income Weatherization Assistance Program and its cold weather Heater Repair Hotline program, it is estimated that some 25,000 low-income Philadelphia households have abandoned the use of their central heating system (whether due to termination of service for unpaid bills, inability to afford the cost of the fuel required for that central heating system, or an unsafe or inoperable furnace) and are therefore relying on space heaters or ranges to heat their homes.

The clear implication is that the amount of federal funding made available for LIHEAP is far from adequate to meet the need.

The result? Good people--your constituents, our neighbors--suffer unbelievable hardship every day as they struggle to meet their basic needs on fixed and very low incomes.

It has been repeatedly observed that the typical low-income household would have to devote 15% of its income to cover heat and energy bills--four times the percentage the typical middle income family must pay. For the poorest of the poor, the burden is even higher. With their average annual income of only $5600, UESF's clients would have to devote one-third of their incomes to cover essential home energy costs, which average about $1800 per year for gas, electric and water service. Working with a monthly income that averages only $470, our clients must contend with not only energy bills, but housing costs (which we conservatively estimate at $212), food (another very conservative estimate of $100) and the costs of transportation, clothing and medicine. If monthly utility costs of $150 were paid in full, our typical client household would have only $8 left each month for transportation, clothes and other essentials. It is therefore not surprising that utility and heat bills go unpaid. It is also not surprising that such households desperately need the helping hand extended by LIHEAP and fuel funds.

While some may retain the stereotypical notion that the nation's nearly 6 million LIHEAP recipient households are "not deserving" or "deadbeats", nothing could be further from the truth. LIHEAP and the fuel funds prevent health and life-threatening hardships for our neediest and most vulnerable citizens, as indicated in the following chart:

| CHARACTERISTIC | LIHEAP | CRISIS | UESF |
|---|---|---|---|
| Homeowner | 43% | 40% | 50% |
| Working Poor | 24% | 33% | 20% |
| Elderly | 38% | 19% | 15% |
| Disabled | 9% | 8% | 12% |
| Annual Income <$7000 | 63% | 54% | 85% |
| Average Household Size | 2.3 | 3.0 | 3 |

Sources: PA Department of Public Welfare LIHEAP and Crisis Statewide Demographic Reports for FY 1990 (as of 4/14/90); Utility Emergency Services Fund Client Profile Report for FY 1990 (as of 3/31/90).

It is my understanding that the foregoing profile of Pennsylvania LIHEAP recipients closely tracks the national profile. Several points stand out sharply from the factors highlighted here:

1. A large percentage of the LIHEAP population own their homes. Helping low-income homeowners maintain their homes through keeping energy and heat costs more manageable is a significant by-product of LIHEAP assistance, as indicated in the housing abandonment statistics above.

2. The elderly participate heavily in the LIHEAP cash grant program, in proportion to their percentage of the total low-income population. They are under-represented in the Crisis component, probably due to their penchant for sacrificing other basic needs in order to pay energy bills and avoid loss of service as well as their lack of awareness of or reluctance to use energy assistance resources.

3. There are a significant number of working people who rely upon LIHEAP assistance. These households often lack the additional support of food stamps or medical insurance, and in many ways, are even more hard-pressed than public assistance or SSI recipients to make ends meet.

4. The typical LIHEAP recipient household is a small one, made up of no more than three persons. In addition to a sizable elderly population, LIHEAP and the fuel funds reach a significant number of households which contain one or more young children, who are the defenseless and tragic victims of the low-income energy crisis.

5. The common denominator for LIHEAP recipient households is that they have extraordinarily low incomes, making it largely impossible for them to cope with the costs of essential, basic heat and utility service.

In short, LIHEAP's protections accrue largely to the very old and the very young--the most vulnerable segments of our population. We are therefore gravely concerned by the fact that--as it has been even more grossly underfunded for the last several years--the LIHEAP "safety-net" is letting greater and greater numbers of needy and deserving households slip through its cracks.

Since LIHEAP still serves less than half of the eligible population, and since it still has funding sufficient only to cover a small portion of home heating or cooling costs for those households fortunate enough to receive benefits, it is patently ridiculous to assert that we are at a juncture where funding can once again be slashed, because the need is being met or because application rates are allegedly "down". While in some areas the unemployment rate may have improved, other factors seriously impact on the LIHEAP application rate. Chief among these are steps taken by many of the states in response to the 33% cut in federal funding from FY 1985 to FY 1989. Examples include little or no meaningful outreach or publicity for the program; shortened program operation; increased income eligibility documentation requirements; and reduced income eligibility limits or reduced benefit amounts. Such efforts by the states to "live within their means" not only directly eliminate households previously served by the program but, unfortunately, have the additional undesired effect of discouraging eligible households from applying for LIHEAP, since they make the process appear even more futile or pointless. It should be noted that this has occurred even in states which used oil overcharge funds to supplement federal funding.

We believe that the exacerbation of the dire situation outlined above that will undoubtedly result from further shrinkage of federal energy assistance resources is, simply, unacceptable. We in the private sector are committed to sustaining our public/private partnership efforts locally, to provide necessary supplements to government funding. Many of us have helped ensure that states used oil overcharge funds (now, virtually depleted) and even state revenues, similarly to supplement LIHEAP dollars. We agree that at the local and state levels, we must be partners in the effort to address effectively the persistent and complex energy/poverty crisis we face in this country. But, if we are to preserve any kind of meaningful energy safety net for our most vulnerable citizens, withdrawal of the federal government as a partner in this effort must cease, and indeed, must continue in the direction of reversing itself begun in the FY 1990 appropriations process. In accordance with resolutions previously adopted unanimously by the NFFN's membership, as well as actions taken by the Boards of Directors of both the NFFN and UESF, we respectfully but urgently commend to you restoration of LIHEAP funding in FFY 1991 to the range of $2 billion. In the past, this committee has recognized the continuing urgency and critical nature of LIHEAP as a linchpin of the federal government's human services programs. On behalf of the nearly 20 million Americans who presently benefit from LIHEAP, we thank you for your past support and for your careful consideration of this testimony.

MONDAY, APRIL 30, 1990.

## POSTSECONDARY FINANCIAL ASSISTANCE

### WITNESSES

HON. WILLIAM LEHMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

STANLEY G. TATE, CHAIRMAN, FLORIDA PREPAID POSTSECONDARY EDUCATION EXPENSE BOARD

Mr. NATCHER. Our next witness is Mr. Tate. Here on my left is our friend, a Member of the Committee on Appropriations, Mr. William Lehman, of Miami, Florida, one of the best Members of the Committee on Appropriations. Mr. Lehman, I yield to you.

Mr. LEHMAN. Thank you very much, Mr. Chairman, for giving me the opportunity and the privilege to introduce someone to your subcommittee. Stanley Tate is Chairman of the Florida Prepaid Postsecondary Board. He has devoted countless hours and energy to the success of Florida's prepaid college program. I am delighted that he has a chance to be here today to talk to you about his very important issue. I might add that besides education that Stanley Tate is a member of our Metro Dade Health Trust. He plays a vital role in the medical issues of our county and especially in regard to the trauma problems that your committee has been so helpful with in the past year.

Stan, it is a privilege to have you here. I am very proud to introduce you.

Mr. TATE. Thank you.

Mr. NATCHER. I want to thank you for your statement, Mr. Lehman. Mr. Tate, let me say this to you as one Member of this subcommittee, on the full Committee on Appropriations we have 13 subcommittees. Mr. Lehman is the Chairman of the Subcommittee on Transportation. It is one of the most important subcommittees we have.

When you can justify your request, remember this, Bill Lehman will help you. That is the reason when he comes in here we always appreciate him coming.

Now we will be glad to listen to you.

Mr. TATE. Thank you, very much and thank you Mr. Lehman not only an old friend but a great Representative from the State of Florida.

I am here to talk about a program put into place in 1987 by the State of Florida and passed by the Florida legislature. I was privileged to be asked by then Mr. Bob Graham, now a Member of the United States Senate, to help write the bill. Essentially it is a program that takes away the risk of a parent being able to afford a college education for a child a long time in the future. It is a prepaid college education fund, if you will, run by the State of Florida and guaranteed by the full faith and credit of the State of Florida.

In essence it is a public-private partnership, passed by both the house and senate on a non-partisanship leadership basis unanimously which in itself is pretty unique. We have a broad board type of representation where the members of the board of regents who run the university and the community college system in Florida is on the board along with the treasury and the controller and one businessman who is me who have been the chairmen of the program since it was put into place. There is not one dollar of tax dollars involved in the program.

It is totally self supported by the monies that are earned through the contracts which are sold to parents of children. This program was started last year. We have been successful, in my opinion, in the State of Florida to having sold $415,000,000 worth of contracts to in excess of 105,000 contract holders. The primary purpose of this program is to protect a parent so that they can be able to afford a college education in any one of the state institutions in the State of Florida at the time the child is ready to matriculate which could be 18 years from the date of purchase.

Any child is eligible as a beneficiary as long as he is a resident of the State of Florida. From the time the child is born as long as they are still in high school. I guess the primary purpose of this program is to institute a savings incentive so that the parent will know when the child reaches college age, their tuition is paid for.

We have a variety of programs, a two-year community college, a two plus two program which is a two year community college and the two year senior program and a four year university program, all of these programs lead to a baccalaureate degree. With this kind of program there is no reason so long as the child stays in school why they cannot get to college.

Since they might not get into a university because of grades, they can, under Florida statutes get into a community college and if they finish successfully they automatically get into a university. We think this will have a major impact on a high drop out rate which Florida has in evidence at the present time. Florida has one of the highest drop out rates in high school of any state in the Union, unfortunately.

The political implications of this kind of a program are very broad. As I said in Florida we have sold over 105,000 contracts. That really affects somewhere between 200,000 and 250,000 family members which is very meaningful. Right now I am pleased to say that we have gotten five states that have prepaid college programs and there are at least three or four other states that are considering them.

What we are trying to do is to have all these states that are in this kind of a program have a reciprocity agreement where the student from Florida can go to Michigan and the Michigan student can go to any of the state universities in Florida without any increased tuition expense. This is something that we are very strongly in favor of Congress approving because there are two particular issues that we are looking for favorable rulings on, one is support for the non-tax status of the state trust funds through sovereign immunity. We are pretty comfortable we will be able to get this through a ruling which we have submitted to the IRS through the sovereignty rulings of the earnings of state funds.

The other issue is we need support from Congress for tax free withdrawals if payments are made to the higher education institution at the time of matriculation. I understand IRS made a ruling on the Michigan plan stating that the differential between the cost of the policy and the contract and the value of tuition at the time of matriculation will become a taxable event.

We think that is a bad ruling. We think it is prohibitive and inhibitive on the student in being able to have to pay those kinds of taxes at the time of matriculation.

Under the Florida program we not only sell the programs on a lump sum and if you can believe it the total cost regardless of the age of the child averages $4,000. If a newborn child was born and wanted to buy a policy up to 38 years from the date of their birth, they can buy four years guaranteed by the state for $4000. If they don't want to pay in a lump sum, the state will finance it over 18 years on a monthly payment plan. It is a unique program.

We hope a large number of other states will adopt it. We are proud that Florida was the first state and is the most successful state in this kind of a program. I have submitted testimony to give you information, some of our brochures and our annual report. We were requested by the house and senate of the state of Florida to make a determination of the actuarial soundness of our program. Ernst and Young were hired to do that and we got the report that our program is actuarially sound and should never cost the State of Florida one dollar.

Thank you, Mr. Chairman.

Mr. NATCHER. How many States are in it?

Mr. TATE. Michigan, Ohio, Oklahoma, Tennessee are the ones that have it. I am giving a conference in New York this coming Thursday and Friday. There will be 19 States represented. I am hoping I can get a large number of additional States. They have all adopted some type of this statute.

Mr. LEHMAN. Let's get one from Kentucky.

Mr. TATE. Yes, sir.

Mr. NATCHER. Thank you, Mr. Tate. You have given an excellent statement. You certainly walked in here with one of our best friends and we appreciate it.

Mr. TATE. Thank you so much. I consider him one of my dear friends too. Thank you, sir.

[The information follows:]

**Stanley G. Tate**
Chairman, Florida Prepaid Postsecondary
Education Expense Board

April 30, 1990
2:35 p.m.

Subcommittee on Labor,
Health and Human Services, Education and
Related Agencies

## THE FLORIDA PREPAID COLLEGE PROGRAM

We are all familiar with the current difficulty in saving for the cost of a college education. Since 1974, tuition at Florida State Universities has increased at an average rate of over 7 percent per annum. A University of Florida freshman today is paying over 65 percent more for tuition than a freshman who entered college at the beginning of the last decade. With inflationary levels of costs associated with postsecondary attendance expected to continue at a rate greater than the overall rate of inflation, this country is facing a potential situation where many citizens will not be able to afford a college education for their children.

The United States has one of the lowest savings rates of any of the industrialized nations in the western world. In a society geared more towards spending now than saving for future needs, reassigning priorities can be a challenge. Where can the citizens of the state of Florida and the people of the United States look for assistance to meet the challenge to increase savings? The government, both state and federal, has potential to help Americans at all income levels to save more.

Families need an incentive to be financially prepared to pay for their children's college education. Government needs to provide this incentive. The State of Florida has taken an innovative step in this direction. The 1987 Florida State Legislature established the Florida Prepaid Postsecondary Education Expense Program as a mechanism to provide Floridians an opportunity to timely plan for college financing. The program is administered by the seven member Florida Prepaid Postsecondary Education Expense Board ("Board") to which I was appointed chairman by Governor Bob Martinez in October of 1987. Known as the Florida Prepaid College Program, now entering its third year of operations, parents and others are given the option to prepay tuition and/or dormitory fees at any of Florida's nine state universities and 28 state community colleges for a fixed price today. With the ability to transfer the value of this contract to any accredited, not-for-profit, independent college or university in the state, beneficiaries have the choice of attending one of the more than 65 fine postsecondary institutions participating in this plan.

Today I would like to briefly describe the Florida Prepaid College Program for you, discuss the impact the program is having on the educational and financial communities of Florida, and finally, urge you to consider favorable tax legislation for this and similar programs to continue to provide governmental incentives to save for college.

The concept is simple--pay now, learn later. When purchasers sign a contract, they agree to pay in advance, at a fixed price, for a child's future college education. Purchasers can choose a four-year university plan; a two-year community college plan; or a two-year community college/two-year university plan. The beneficiary is named at the time the contract is purchased. The beneficiary must be a resident of the state of Florida and not yet completed the 11th grade in high school. The purchaser buying the contract on behalf of the beneficiary does not have to be related to the child.

The residency of all beneficiaries is verified at the time of purchase of the contract. If the family moves out of the state, the beneficiary will still be viewed as a resident for tuition purposes at the time he or she attends college. This feature of Florida's plan is a significant advantage in today's mobile society.

The program has three payment plans--a lump sum option and two monthly payment options which are designed to be flexible and fit the needs of any family saving for college. Oftentimes, it is difficult for parents to voluntarily set aside money each month for saving for such future expenses. This program provides the mechanism for families to do just that, and 75 percent of our purchasers have selected one of our installment payment plans. If payments are not made on time, the contract will be terminated after a six-month grace period. This termination will cause the purchaser to lose the benefit and guarantee of the tuition price which was locked in at the time the contract was executed. In order to keep the tuition rate fixed by the contract, payments must be made on schedule.

The Board places purchasers' payments in a state trust fund which is invested to cover the inflation of college expenses. One of the primary duties of the Board is to appropriately manage this trust fund. In fact, the gubernatorial appointees to the seven member Board (there are three Governor's appointees) must have expertise in financial matters to receive the appointment. By pooling these payments, the Board is able to attract the best qualified investment managers to maximize the trust fund's return and minimize the risk and investment cost. We are convinced that, over time, this approach will significantly out-perform an individual's savings plan.

At the time the beneficiary goes to college, enough money to cover the tuition and/or dormitory cost is transferred directly to the university or community college. This will represent a significant savings for those families that begin this program for their children at an early age. For instance, the one-time fee for an infant, this year, to enroll in a four-year university plan is $3,844. It is estimated that 18 years from now, that tuition cost will be approximately $16,000. The tuition amount will be transferred directly from the fund to the school (that the beneficiary chooses to attend) at the time of his or her enrollment.

This program gives participants peace of mind because the contracts are backed by the Full Faith and Credit of the State of Florida. The legislation establishing the program absolutely guarantees that the tuition fees will be paid for the beneficiary at the time of enrollment. No other college savings plan can make this claim!

Floridians' response has been tremendous since the program's "kickoff" on September 22, 1988. During the most recently concluded enrollment period, running from September 20, 1989, to January 12, 1990, a total of 46,563 prepaid tuition and dormitory contracts were purchased. Together with contracts sold the prior year, to date, 105,211 contracts have been purchased through the program.

These contracts represent a financial commitment of approximately $426 million. The trust fund has a current cash balance in excess of $105 million. These results make the Florida Prepaid College Program the largest of its kind in the country.

The Board recently received the results of an independent actuarial audit from the accounting firm of Ernst & Young. This report declared that the program's trust fund is "actuarially sound."

I am also pleased to inform you that the Florida Prepaid College Program has been operated on the basis of a public-private partnership. Not one dime of tax money has been spent on this program. To start the program, a $600,000 loan from the State of Florida Department of Insurance was given to the Board. These were the funds that were used for covering the expenses of our initial operation. It was originally estimated by state legislative staff that the loan could not be repaid for three years. Due to the success of our operations, I was able to present a check on July 20, 1989 in the amount of $600,000 to Governor Bob Martinez and State Treasurer Tom Gallagher repaying this loan in full two years ahead of schedule.

We were able to accomplish this through two means. First, the Board's marketing agent and records administrator advanced goods and services to the Board before the sale of the first contracts. Their compensation was based primarily on the number of contracts that would be sold at a later date. By involving these private corporations in the start-up phase of the Board's operation, initial expenses were held to a minimum. Second, the investment strategy of the Board maximized the trust fund return such that funds were available to repay this loan ahead of schedule.

As mentioned above, The Florida Prepaid College Program is providing an incentive to its citizenry to save early for college without spending one dime of taxpayers' dollars. However, we have not stopped there. We are still searching for innovative ways to have a positive impact on the educational and financial community.

In 1989 the Florida Legislature authorized the Prepaid College Board to establish a direct support organization (a 501(c)(3) corporation) for the purpose of providing a scholarship program to low income and other at-risk students who may otherwise not be able to afford a college education.

To kick off the new Foundation, Governor Bob Martinez announced on December 13, 1989, the proposal of the Florida Prepaid College Tuition Scholarship Program and requested the Florida Legislature to appropriate $1.3 million of Florida lottery revenues to be equally matched by the private sector to fund the new program.

Prepaid College Tuition Scholarships will be given under this program to young students in grades 7 to 12 with academic potential. These selections will be determined by local school officials on the basis of these students being high risk dropout candidates, based on socio-economic and other factors. To maintain this scholarship, the recipients must continue exemplary citizenship records at school and lead drug-free and crime-free lives. It is our desire and hope that the scholarships will be an incentive for students to improve school attendance and academic performance in order that they may graduate from high school and pursue a college degree. We are also of the opinion that a meaningful number of scholarships purchased, coupled with sales to other low income purchasers, will significantly reduce the high school dropout rate in Florida. This program will fill a vacuum not currently addressed by traditional financial aid and scholarship programs. Prepaid College contracts will be awarded to students at an impressionable age to assist them in redefining their career goals and paving the way for successful futures.

The Florida Prepaid College Program shifts traditional governmental policy from encouraging an increased debt burden in the form of student loans to finance college expenses, to providing an incentive for parents to begin college savings early. The program structure requires financial discipline on the part of purchasers to complete their contractual obligations. This dramatic change in emphasis, from more debt to increased savings, is essential in today's financial environment. This goal is also important since it is generally recognized that the federal deficit continues to drain our national resources due in part to ever-increasing defaults on governmental guaranteed student loans.

You may question how the return on prepaid tuition compares to other college saving investments. I am pleased to note that recently the National Center for Postsecondary Governance and Finance at the University of Maryland stated that "(b)ased on historical financial data, these prepaid state plans...offer an extremely good financial return to parents."

Clearly, financial saving is the key to building a secure future for ourselves as individuals, and for the nation as a whole. By saving, we are providing the needed investments to fuel the economy, making our nation more robust and productive. These goals are very laudable--either individually or as a society as a whole; however, unless we plan for them early, they will not become a reality.

It is incumbent upon you in Congress to meet this challenge. Tax legislation is needed to ensure that these state trust funds are not deemed by the Internal Revenue Service as a non-essential, non-governmental function. This type of determination would cause the state trust funds to be subject to federal taxes on accrued investment income each year. In order for government to set this example and provide a better economic base for our country, sovereign immunity must be granted to state prepaid college plans to protect it from payment of federal income taxes. Also, payments made directly to the postsecondary institution on behalf of a contract beneficiary should be legislatively deemed as a non-taxable transfer. We want to continue to assist families to save for college education and increase their savings in general. Let's not tarnish our goal or place unnecessary barriers to reach this goal with unfavorable and shortsighted tax policy.

The challenge of the future for this nation is to produce an innovative, skilled and well-trained work force able to compete in tomorrow's economy. By providing incentives today to America's families to save for the higher education of our emerging generations, we will be securing the nation's future.

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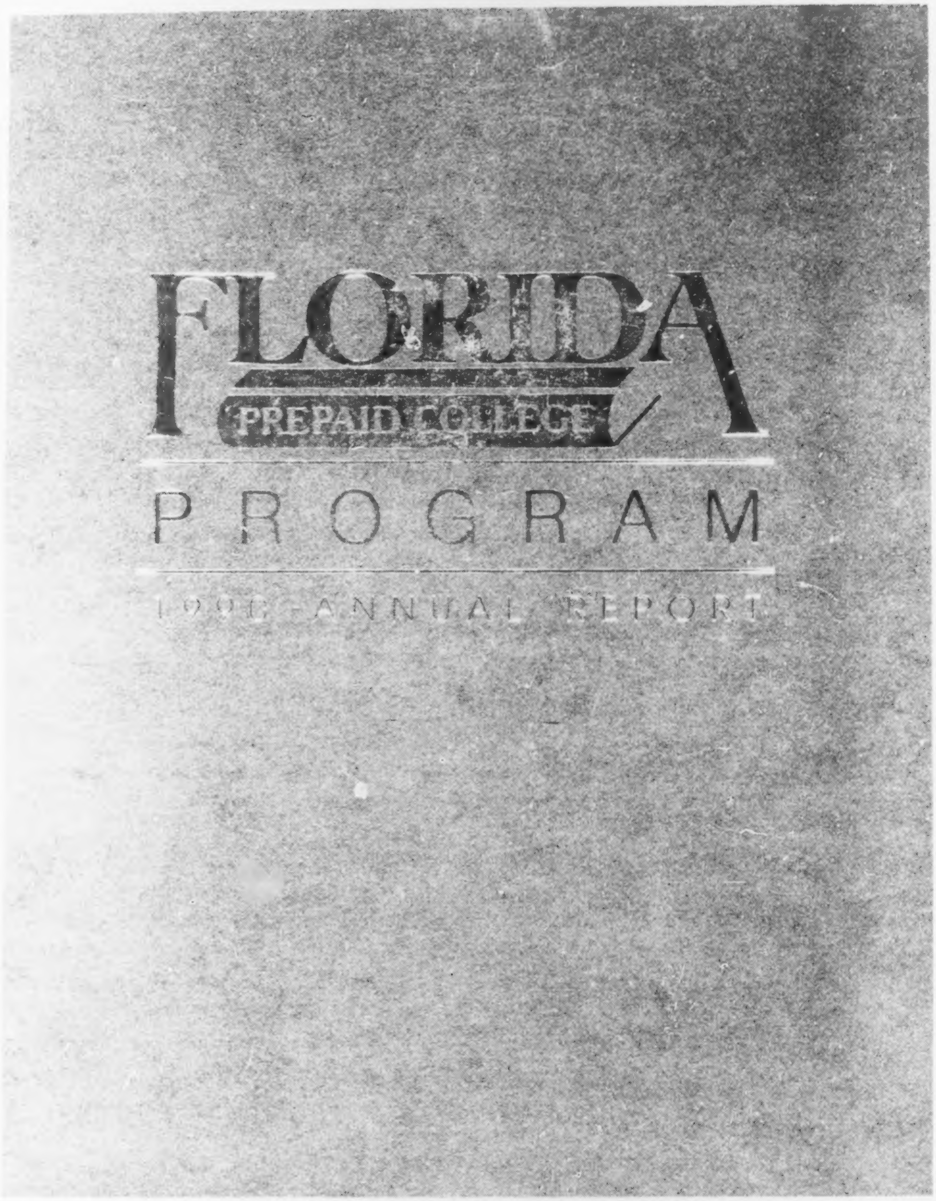

# FLORIDA PREPAID COLLEGE PROGRAM

1996 ANNUAL REPORT

# FLORIDA PREPAID COLLEGE PROGRAM

*Annual Report*
*March 1, 1990*

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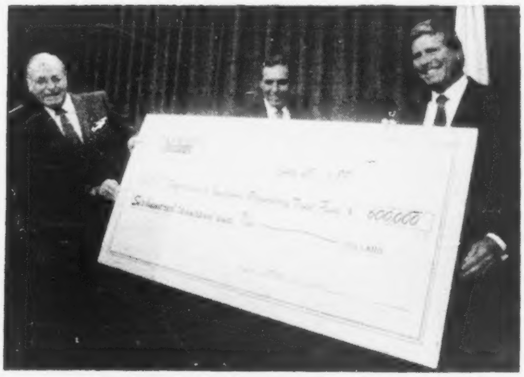
# CHAIRMAN'S LETTER

I am pleased to present the 1990 Florida Prepaid College Board's Annual Report in an attempt to highlight the results of the program's second year of operations. It was a year during which many milestones were reached as we witnessed much broader acceptance of the concepts and ideals of the Prepaid College Program. New initiatives were commenced to provide Floridians the necessary access to higher education without burdensome debt.

We are about to enter our third year of operations with continued financial stability. As a result of our initial investments, we were able to repay, on July 20, 1989, a $600,000 loan from the Department of Insurance. These were the funds that were used for start-up expenses covering the costs of our initial operation. This loan wasn't scheduled for repayment for another two years.

At the time of this report, we have accumulated in excess of $80 million in the trust fund. Additionally, because the trust fund's assets were prudently invested, the Board was able to hold down the 1989 contract prices to a two percent increase, even though tuition was increased eight percent by the legislature in 1989.

A continuing goal for the Florida Prepaid College Board is to make as many Floridians as possible aware of this opportunity. With a larger advertising budget, the public's awareness of the program increased in 1989. Our toll-free 800 number phone calls were 32 percent higher than last year. A total of 46,563 contracts were sold this year for a total of 105,211 sold during our first two years. These results make the Florida Prepaid College Program the largest of its kind in the country. Complete sales figures and demographics for the 1989-90 year are provided elsewhere in this report.



▶*Chairman Stanley G. Tate, left, presents Governor Bob Martinez and State Treasurer Tom Gallagher with a check for $600,000, representing repayment of a loan from the State Treasury used for program start-up costs.*

Several changes to the program have been implemented this year to add more flexibility to the program and to enhance its funding. The 1989 Florida Legislature authorized the Board to establish a Direct Support Organization under Board auspices, called the Florida Prepaid College Foundation, Inc. This Foundation is a non-profit corporation organized to solicit and accept contributions from companies and individuals to fund prepaid tuition scholarships.

Governor Bob Martinez will be seeking legislative approval for the Foundation to undertake a new program to provide 670 prepaid tuition scholarships annually to Florida's economically disadvantaged youth. This group would be considered to be high-risk dropout candidates. The awards

## CHAIRMAN'S LETTER

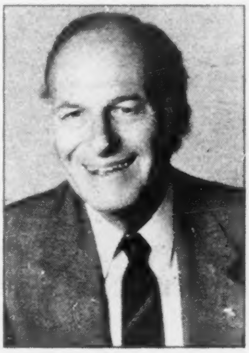
would be made at an impressionable age as an incentive to the participants for them to remain drug and crime free and to continue their education. The Governor will be seeking approval of $1.3 million, to be equally matched by private contributions, for the program for 1990-91. The Governor also is seeking approval of a 50 percent state tax credit for corporations that fund scholarships through the Foundation. This tax credit, combined with state matching funds, would mean that for each $1 spent on the prepaid contracts, corporations would effectively pay only 25 cents.

Three key modifications in the program's rules were made this year to provide more flexibility for all of Florida's residents while planning for their childrens' educations. One of the changes waives the residency requirement for beneficiaries with divorced parents. Another change allows a refund, with interest, for students receiving scholarships or for purchasers whose designated beneficiary dies or becomes disabled. Finally, more generous refund provisions were made for purchasers converting plans at matriculation. These changes, tailored to our participants' needs, are fully explained in the section of this report entitled "Legislative Enhancements."

We are optimistic about the coming year. The Florida Prepaid College Program has matured to a financially self-sufficient program as an integral part of the state's operations. The Foundation represents new horizons and exciting challenges. The importance of these efforts to provide economically disadvantaged youth a guaranteed college education cannot be underestimated. The overwhelming response we have received to the program has shown that more Floridians are saving in a timely manner for college expenses.

The Prepaid College Board staff is committed to providing the best customer service possible and to efficiently use the state's resources on your behalf, in administering the program.

All of us at the Florida Prepaid College Board look forward to another year of service, in assisting your efforts, to offer a guaranteed Florida college education to all eligible Florida residents.



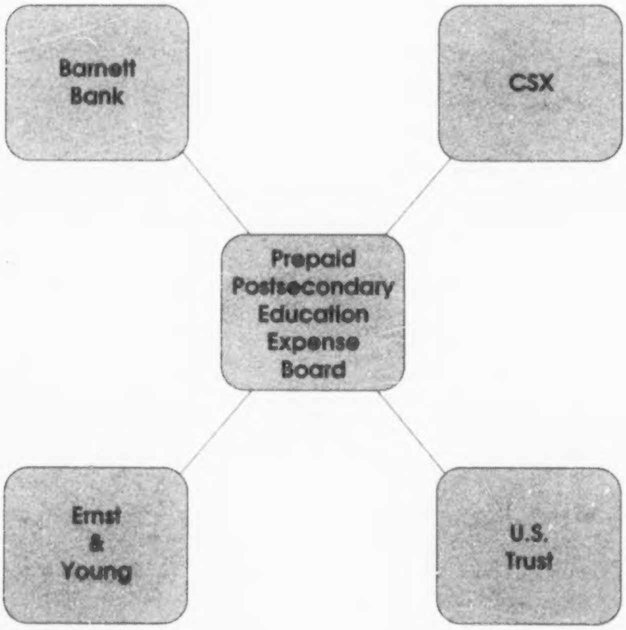
*Stanley G. Tate*
*Chairman*
*Florida Prepaid Postsecondary*
*Education Expense Board*

*Stanley G. Tate*
*March 1, 1990*

# ORGANIZATIONAL STRUCTURE

The Florida Prepaid College Program is a reality today because of the cooperative efforts of private enterprise and state government. As required by the enabling legislation, the four private companies providing services to the program were procured after issuing requests for proposals.

## ▶PUBLIC-PRIVATE PARTNERSHIPS FOR EDUCATION


Barnett Bank
CSX
Prepaid Postsecondary Education Expense Board
Ernst & Young
U.S. Trust

# ORGANIZATIONAL STRUCTURE

## ▶ BARNETT BANK, N.A., Jacksonville

- *Centralized Marketing Agent*
- *Point-of-Sale Closing Agent*

The public's first point of contact with the Florida Prepaid College Program is with Barnett Bank, the program's centralized marketing agent. Headquartered in Jacksonville, Barnett is responsible for developing marketing strategy and producing marketing materials for the program. As the point-of-sale closing agent, Barnett provides field services to assist purchasers in executing the advance payment contracts and to answer questions about the program. Barnett also provides the program's toll-free telephone lines through a subcontract with American Transtech. The Board selected Barnett Bank after issuing a request for proposal due to the scope of its operations. Its large network of branches provides convenience for prospective purchasers to pick up brochures and drop off completed applications.

## ▶ ERNST & YOUNG, Tallahassee

- *Actuary*

Ernst & Young was chosen by the Board as the program's actuarial firm. The firm has a regional branch in Tallahassee with actuarial offices in Atlanta. As the program's actuary, Ernst & Young will report on the actuarial soundness of the Prepaid College Trust Fund. The firm also will establish annual prepaid college contract prices after evaluating increasing tuition and dormitory expenses.

## ▶ U.S. TRUST CORPORATION, New York

- *Trustee Services Firm*

As the program's trustee services firm, U.S. Trust Company has the fiduciary responsibility to safeguard securities and other investment certificates and select investments pursuant to the Board's comprehensive investment plan. The firm also provides a management system for the evaluation and improvement of overall trustee services to the program. U.S. Trust Corporation's principal subsidiary, United States Trust Company of New York, has more than $41 billion in underlying securities in unit trust accounts. The company is one of the country's leading trustees and processors of unit investment trusts.

## ▶ CSX TECHNOLOGY, Jacksonville

- *Records Administrator*

As the program's records administrator, CSX, headquartered in Jacksonville, conducts the daily operations for the Board by providing customer service and by processing purchaser contracts. CSX customer service representatives process daily customer inquiries by mail and by telephone. The company's data base currently processes invoices and payments for more than 100,000 prepaid contracts. CSX also processes payments to the universities and community colleges.

# LEGISLATIVE ENHANCEMENTS

The 1989 Florida Legislature considerably revised several provisions of the Florida Prepaid College Program to make it more equitable for participants. The legislation broadens the residency requirement for beneficiaries and allows refunds with interest under certain specific circumstances, detailed below.

## ▶ Residency Requirement:

The new state statute expands the residency requirement of a "qualified beneficiary." Previously, all beneficiaries had to be Florida residents in order to qualify for the program. Now, a nonresident child of a noncustodial parent, who is a Florida resident, may be named as a beneficiary. This allows a divorced parent who is a Florida resident to purchase contracts for his/her children who live with the other parent in a different state.

## ▶ Refunds:

### •*Scholarships, Death and Disability*

The legislation allows a refund with five percent interest, or the full tuition value at the time of enrollment, whichever is less, to those purchasers who receive scholarships covering the benefits of the program. The same refund calculation applies if the beneficiary dies or becomes totally disabled.

### •*Plan Conversion*

The legislation also authorizes a refund based on the current value of the contract to purchasers who wish to convert or "downgrade" a plan at the time of the beneficiary's college enrollment from a university plan to a community college plan or a community college plan/university plan, or from a community college plan/university plan to a community college plan. The refund amount will be equal to the value of the original contract at the time of school enrollment, minus the value of the contract after conversion. Previously, the value of the contract after conversion was deducted from the original cost of the contract eliminating the possibility for a refund for many purchasers. Now, no matter which college the beneficiary may attend, the purchaser will receive the full benefit of the contract.

### •*Unattended Years*

The legislation also allows the Board to refund to purchasers the principal for unattended years, even if the beneficiary has completed more than 50 percent of the credit hours of the contract. Previously, no refund was given after 50 percent of a plan had been used.

# LEGISLATIVE ENHANCEMENTS

▶Chairman Stanley Tate and Governor Bob Martinez present winners of the Colgate Tuition Sweepstakes with prepaid four-year tuition scholarships at a December 13 press conference. Left to right, front to back are: Analourdes Rodriguez, 9; Jolynn Arnold, 12 (accepting for brother, Josh); Darin Weisemiller, 8; Jennife Lacano, 14 (accepting for brothe John); Mary Beth DeGroot of Colgate-Palmolive; Chairman Tate; Katherine Rodriguez, 2; and Govenor Martinez.

## ▶ FLORIDA PREPAID COLLEGE FOUNDATION, INC.

The 1989 Florida Legislature authorized the Board to establish a Direct Support Organization called the Florida Prepaid College Foundation, Inc.

The purpose of the Foundation is to establish a scholarship program to provide prepaid tuition scholarships to low income and other at-risk students who may otherwise not be able to afford a college education.

To kick-off the new Foundation, Governor Bob Martinez announced on December 13 the establishment of the Florida Prepaid College Tuition Scholarship Program. The Governor proposed (subject to legislative approval) that $1.3 million of Florida Lottery revenues, to be equally matched by the private sector, be used to fund the new program.

This program, to be administered through the Foundation, is a by-product of the Inner City Action Team of the Governor's Drug Policy Task Force. Prepaid college tuition scholarships will be given to young students with academic potential who are determined by local school officials to be high-risk dropout candidates based on socio-economic and other factors. To qualify for scholarships, applicants must maintain exemplary citizenship records and lead drug-free and crime-free lives. It is hoped that the scholarships will be an incentive for students to improve school attendance and academic performance in order that they may graduate from high school and pursue a postsecondary education.

The Board feels this program will fill a vacuum not currently addressed by traditional financial aid and scholarship programs. Prepaid college contracts can be awarded to students at an impressionable age to assist them in redefining their career goals and paving the way for successful futures.

# FINANCIAL INFORMATION

## ▶ PROGRAM BUDGET

The Florida Legislature appropriated $1,110,996 for the 1989-90 fiscal year. This appropriation includes funding for six full-time staff positions and other operating expenses. This budget includes $596,000 used for radio and television advertising intended to expand public awareness of the program.

The following is a comparison of the fiscal year 1989/90 budget and the budget request for fiscal year 1990/91 by the required appropriation category:

| Appropriation Category | 1989/90 Budget | 1990/91 Request |
|---|---|---|
| Salaries | $ 221,151 | $ 232,215 |
| Other Personal Services | | |
| Advertising | 596,000 | 400,000 |
| Other Contractual Services | 150,000 | 160,000 |
| TOTAL Other Personal Services | 746,000 | 560,000 |
| Operating Expenses | 142,241 | 153,295 |
| Operating Capital Outlay | - 0 - | 5,000 |
| Data Processing Services | 1,604 | 1,684 |
| TOTAL | $ 1,110,996 | $ 952,194 |

# FINANCIAL INFORMATION

## Actuarial Reports

A contract has recently been signed with Ernst & Young as the Board's actuarial consultant. Pursuant to a request for proposal of actuarial services issued on October 13, 1989, and due to the tremendous response from participants during this second year of operations, the Board on December 13, selected Ernst & Young pursuant to required comparative bid procedures. Prior to this selection, the Board utilized Department of Insurance actuaries.

Ernst & Young will be submitting a report on the actuarial soundness of the Florida Prepaid Postsecondary Education Trust Fund based upon 1988-89 enrollment year sales. This report will be completed by approximately March 15, 1990.

## Financial Statement

The financial statements reflect only the financial activity for the first year of contract sales. The unaudited financial statements are prepared in conformity with generally accepted accounting principles, for the fiscal year ended June 30, 1989.

The Balance Sheet indicates that more than $58 million was held in various cash and investment accounts and included accrued interest receivable of more than $400,000. Current liabilities of the program as of June 30, 1989, total approximately $200,000, due to vendors and other liabilities. Approximately $600,000 was the loan from the Department of Insurance's regulatory trust fund, which was repaid on July 20, 1989.

The Statement of Revenues, Expenditures and Changes in Fund Balances presents the financial activity during the fiscal year. Application fees received for the first enrollment period totalled more than $1.4 million. Interest income earned was more than $1.7 million during this reporting period.

The bulk of revenues came from purchasers in the form of contract payments, bringing the total revenues to approximately $60 million. Program revenues are generated from contract payments, either single payments or monthly installment payments. Approximately twenty-two percent (22%) of purchasers elected to pay off their contract with a single, lump sum payment. This group of purchasers provided approximately $45 million of the total revenues collected for fiscal year 1988/89.

Operating disbursements totalled approximately $600,000. The non-operating expenditures were approximately $2.1 million, for total expenditures of approximately $2.7 million. Non-operating expenditures are payments to private companies pursuant to various service contracts providing necessary components of the program's day-to-day operations. The costs to cover non-operating expenses are generated from contract application fees.

The results of operations for fiscal year ended June 30, 1989 resulted in an increase in fund on deposit of approximately $57.2 million.

At the date of this report, the trust fund has transferred $80 million to U.S. Trust Company of New York, the program's investment manager.

# FINANCIAL STATEMENTS

## ▶ PREPAID POSTSECONDARY EDUCATION EXPENSE TRUST FUND BALANCE SHEET

For the Fiscal Year Ended June 30, 1989

| | |
|---|---|
| ASSETS | |
| Cash (in an interest bearing account) | $ 767,909 |
| Cash in State Treasury | 148,345 |
| Investments with State Treasurer | 135,288 |
| Special Investments with State Treasurer (SUSI Pool) | 56,559,215 |
| Accrued Interest Receivable | 426,420 |
| TOTAL ASSETS | $58,037,177 |
| LIABILITIES AND FUND BALANCE | |
| Liabilities | |
| Due to Vendors | $ 192,330 |
| Accrued Salaries and Wages | 884 |
| Due to DOI Regulatory Trust Fund* | 599,632 |
| Due to Other State Departments | 351 |
| TOTAL Liabilities | $ 793,197 |
| Fund Balance | |
| Fund Balance - Reserved for Encumbrances | $ 5,409 |
| Fund Balance - Unreserved | 57,238,571 |
| TOTAL Fund Balance | $ 57,243,980 |
| TOTAL LIABILITIES AND FUND BALANCE | $58,037,177 |

**This loan was repaid in July, 1989.*

# FINANCIAL STATEMENTS

## ▶PREPAID POSTSECONDARY EDUCATION EXPENSE TRUST FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 1989

| | |
|---|---|
| REVENUES | |
| Application Fees | $ 1,465,024 |
| Interest | 1,705,642 |
| Miscellaneous (Donations) | 55,660 |
| Prepaid Tuition and Dormitory Payments | 56,732,357 |
| TOTAL REVENUES | $ 59,958,683 |
| EXPENDITURES | |
| Operating: | |
| Salaries | $ 173,351 |
| Other Personal Services | 246,465 |
| Expenses | 152,499 |
| Data Processing Services | 1,419 |
| Capital Outlay | |
| Operating Capital Outlay | 14,021 |
| Other | 11,454 |
| TOTAL Operating Expenditures | $ 599,209 |
| Non-Operating: | |
| Point of Sale Agent | $ 1,463,480 |
| Records Administration | 540,710 |
| Purchaser Refunds | 124,894 |
| TOTAL Non-Operating Expenditures | $ 2,129,084 |
| TOTAL EXPENDITURES | $ 2,728,293 |
| Excess (Shortfall) of Revenues Over Expenditures, fiscal year ending June 30, 1989 | 57,230,390 |
| FUND BALANCE, July 1, 1988 | $ 13,590 |
| FUND BALANCE, June 30, 1989 | **$57,243,980** |

# PROGRAM SUMMARY

## ▶ Program Performance Data

The Prepaid College Program's records administrator maintains a computer information system that provides participant data for analysis. The information provided in the following pie charts and graphs is supplied to the program by purchasers of prepaid college contracts from data elements collected on their applications. At the time of this report, some purchasers failed to select a plan type or payment option on their applications. The records administrator is obtaining the correct information. These contracts are indicated on the charts.

## ▶ Contract Sales

During this year's enrollment period, running from September 22, 1989 through January 12, 1990, a total of 46,563 tuition and dormitory contracts were purchased for 35,444 students. Together with tuition and dormitory contracts sold last year, to date, 105,211 contracts have been sold through the Florida Prepaid College Program. The program has experienced a 3.4 percent cancellation rate with 3,570 contract cancellations during the first two years, bringing the total number of active contracts to 101,641 (see Figure B).

The most popular tuition plan continues to be the four-year university plan. Figure A shows that nearly 74 percent of the 79,373 tuition contracts sold during the program's first two years were four-year university contracts. Like last year, the most popular dormitory contract is the one-year, or two semester plan. Figure B shows that of the 22,268 dormitory contracts purchased, nearly 37 percent were for one year of dormitory

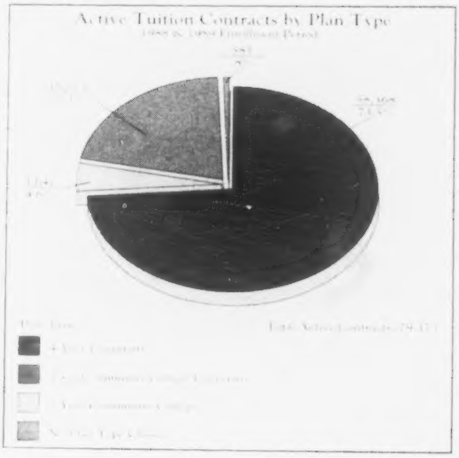


Figure A

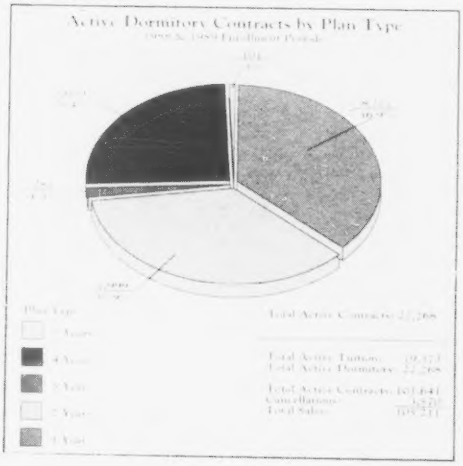


Figure B

# PROGRAM SUMMARY

Figure C

Figure D

expenses. Unlike last year, however, the second most popular dormitory plan is the two-year, or four semester plan. Of the contracts purchased, nearly 36 percent were for two years of dormitory expenses. Last year, the second most popular dormitory plan was the four-year, or eight semester plan, with 31 percent sold. This year, 25 percent of the dormitory contracts were sold for 4 years of residence.

## ▶Revenues

Prepaid contract holders have made a substantial financial commitment to the program during its first two years of operation. Figure C shows the projected revenues based upon various payment options available to contract purchasers. The financial commitment of all payment options and plan types combined is just under $426 million.

Purchasers may either pay the entire value of a contract with one lump-sum payment, or they may select installment payments over either a five-year payment schedule or a monthly payment schedule that will terminate with the enrollment of the beneficiary in a postsecondary institution. Figure D shows that nearly half of all purchasers have chosen to pay under the monthly plan.

## ▶Enrollment

Figure E shows the projected enrollment years for the program's beneficiaries. The enrollment year corresponds to the age of the beneficiary at the time the contract was purchased. The enrollment year 2000 will see the largest number of beneficiaries entering college.

# PROGRAM SUMMARY

▶Last-minute purchasers line up at the Brickell branch of Barnett Bank in Miami to buy prepaid contracts during the last day of enrollment, January 12, 1990.

It is interesting to note that there is a significant increase in the number of tuition contracts purchased for infants (less than 1 year old) this year as compared to last year. Between ages one and five, about the same number of contracts were purchased as last year.

The chart shows that interest in the program wanes as the beneficiary grows older. From first through eighth grades, the number of contracts purchased decreased by an average of 128 contracts per additional grade. For first grade beneficiaries, 2,250 tuition contracts were purchased, compared to 1,819 contracts for eighth grade beneficiaries. The graph further shows that interest in the program drops significantly for high school beneficiaries.

## ▶ Geographic Distribution

Figure F shows that the geographical distribution of the number of contracts sold mirrors the population base of the state. The numbers shown are displayed by zip code zone of the beneficiary and benefactor. The zones were based upon the first three digits of the zip code provided on the prepaid program application. The map shows contractual sales in numbers and percentage of active prepaid tuition and dormitory contracts throughout the geographical regions of the state.

This year's geographical distribution of sales is virtually the same as last year's. Miami remains the location with the largest number of contractual sales, totalling 32.6 percent of all contracts sold. Miami residents purchased 15,689 contracts this year, for a total of 33,172 prepaid contracts sold in the region during the program's first two years of operation. Tampa/St. Petersburg is second with 18.7 percent of total sales. Orlando is third with 11.6 percent, and West Palm is fourth with 10.5 percent.

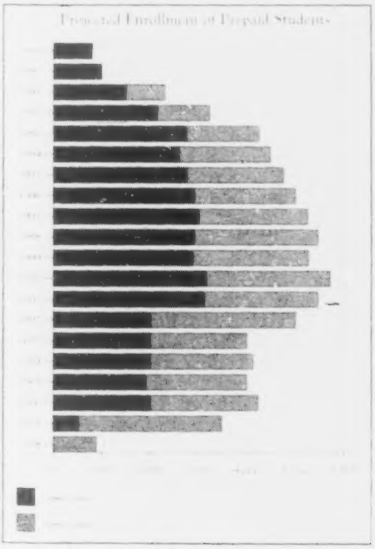
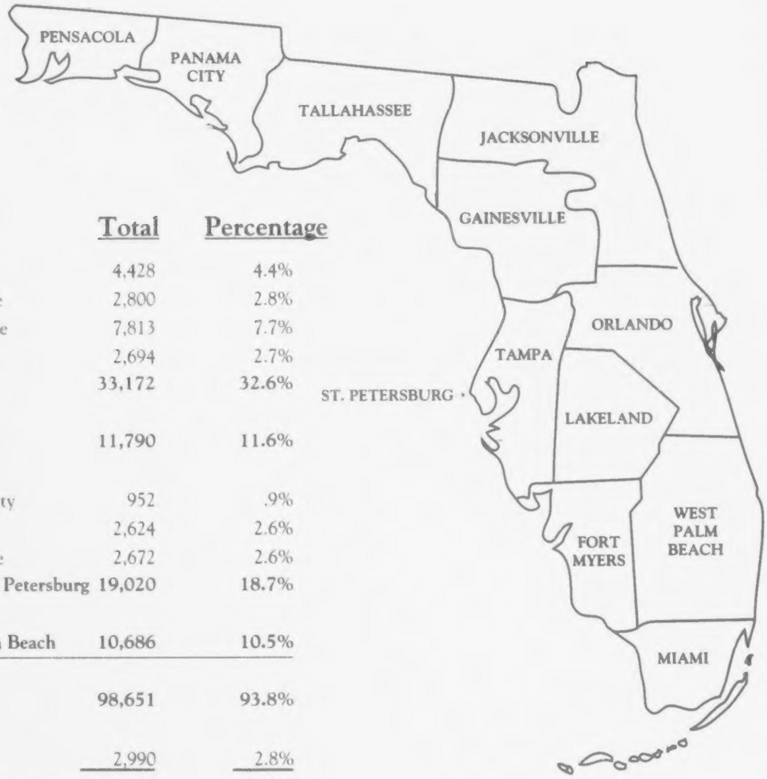


Figure E

# PROGRAM SUMMARY

## ▶ Geographic Distribution of Sales

*(Active contracts sold by U.S. Postal zip code zone)*


PENSACOLA
PANAMA CITY
TALLAHASSEE
JACKSONVILLE
GAINESVILLE
ORLANDO
TAMPA
ST. PETERSBURG
LAKELAND
WEST PALM BEACH
FORT MYERS
MIAMI

| City | Total | Percentage |
|---|---|---|
| Fort Myers | 4,428 | 4.4% |
| Gainesville | 2,800 | 2.8% |
| Jacksonville | 7,813 | 7.7% |
| Lakeland | 2,694 | 2.7% |
| **Miami** | **33,172** | **32.6%** |
| **Orlando** | **11,790** | **11.6%** |
| Panama City | 952 | .9% |
| Pensacola | 2,624 | 2.6% |
| Tallahassee | 2,672 | 2.6% |
| **Tampa/St. Petersburg** | **19,020** | **18.7%** |
| **West Palm Beach** | **10,686** | **10.5%** |
| **Florida:** | **98,651** | **93.8%** |
| *Other: | 2,990 | 2.8% |
| **Active Contracts:** | **101,641** | **96.6%** |
| Cancellations: | 3,570 | 3.4% |
| **Total Sales:** | **105,211** | **100%** |

* Areas outside of Florida where contracts were purchased for Florida residents

Figure F

# FLORIDA PREPAID POSTSECONDARY EDUCATION EXPENSE BOARD

▶ **Mr. Stanley G. Tate**
Chairman
Owner, Stanley Tate Enterprises

▶ **Dr. Charles Reed**
Vice Chairman
Chancellor, State University System

▶ **Dr. Arthur Anderson**
Professor of Education, Florida Atlantic University

▶ **Dr. Diana Ferreira**
Vice President for Academic Affairs, Hillsborough Community College

▶ **The Honorable Tom Gallagher**
State Treasurer, Insurance Commissioner, Fire Marshal

▶ **The Honorable Gerald Lewis**
State Comptroller

▶ **Dr. Bill Odom**
Deputy Executive Director, State Board of Community Colleges

▶ **Mr. William W. Montjoy**
Executive Director

▶ **F. Philip Blank, Esq.**
General Counsel

# PROGRAM INFORMATION

**Florida Prepaid Postsecondary Education**
**Expense Board Headquarters**

Room B-73, Larson Building
Tallahassee, Florida 32399-0300
(904) 488-8514
1-800-245-5585 (Florida only)

**Florida Prepaid Postsecondary Education**
**Expense Program Operations Center**

Post Office Box 4400
Jacksonville, FL 32201
(904) 281-7082
1-800-228-2448
(8 a.m. to 11 p.m. Eastern Standard Time;
Monday—Friday during enrollment period)

*The Florida Prepaid College Program*
*is guaranteed by the Full Faith*
*and Credit of the State of Florida.*

This program is subject to the provision of s. 240.551, F.S., Board policies and rules (see Ch. 4G F.A.C.).

*This publication was produced at an annual cost of $4,014.23, or $4.01 per copy to inform the Legislature, State Board of Education and purchasers of advance payment contracts concerning the Florida Prepaid College Program.*

MONDAY, APRIL 30, 1990.

## CLOSEUP FOUNDATION/ALLEN J. ELLENDER FELLOWSHIP PROGRAM

### WITNESSES

HON. MIKE SYNAR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

HON. BILL FRENZEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

HON. FRED UPTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

HON. DANTE FASCELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

STEPHEN A. JANGER, PRESIDENT, CLOSEUP FOUNDATION

Mr. NATCHER. We now have a panel discussion. We have our colleagues in the House here, from Oklahoma, Florida, Minnesota. Now we are delighted to have all of you before the committee at this time. If you would now, tell us how we will proceed.

Mr. JANGER. Mr. Chairman, I think Mr. Upton will be here. If not, I will be delighted to give some of his remarks. Mr. Synar is sitting on my right, certainly not politically, who can begin.

Mr. SYNAR. I don't know how the junior Member got to do this. Mr. Chairman, we are here again for the CloseUp Foundation with respect to testimony on the Ellender Foundation. We who have been Members know this is one of the most successful outreach program in the history of this country.

All of us who have been a Member of this body for any length of time know that one of the great goals we set in education is low income at risk students not only within the inner cities but also those who have been geographically displaced. There is probably no better program that has been getting those children and giving them the exposure and experience to spark that interest in education and our government which will make them better citizens.

All of us who will be here today to tell you why we think not only should we continue the funding of the CloseUp Foundation but more importantly we think it ought to be increased so we can go after the kids who so desperately need it.

Why don't I ask Mr. Frenzel who I might add will be making his last appearance before this committee in behalf of the CloseUp Foundation, one of the great leaders and sponsors. I will ask for whatever remarks he might make.

Mr. FRENZEL. Thank you for hearing us. We will try not to impose too much on what we know is an enormously busy schedule. We have come here annually asking for appropriations for what we think is a really wonderful educational service which I don't think any President has ever put in his budget.

Each year you make some money available. I must say I can't tell you how much we appreciate it because it is not easy. We know how many people come to see you. I am not going to call the roll of the benefits of CloseUp except to remind that what the government puts in through the Ellender scholarships is a very tiny amount compared to the total budget of CloseUp.

It raises money not only from the kids and their parents but also from other private persons, individual and corporate in the community. It uses those funds so that it can send kids who might not otherwise be able to take advantage of the experience. It is easy for us to raise that money if the Federal Government shows that it likes the service as well by putting up the first ante.

Then we can go out and raise from our companies and our people monies as well and multiply the experience.

The Chairman knows this but let me repeat it anyway for the rest of the committee. For the last couple of years CloseUp has run a program called the Civic Award Program. Monies for that program have come from the Congress but they have not come from your subcommittee. That was started in the House Administration Committee, moved through the Legislative Appropriations Subcommittee because the program was managed by the Library of Congress.

This year CloseUp has found a private sponsor for that entire program. They will get over $1,000,000 from a single private donor to run the Civic Achievement Program. So the taxpayers have had that burden lifted from them. It is not fair to your subcommittee but we are asking you to assume some of the burden that that other subcommittee has borne as a consequence of it being relieved of some of those obligations.

The extra monies are to go toward the teachers in areas of what we would call disadvantaged so that we can get more enthusiasm and more participation in the CloseUp program from people who have not normally been able to take advantage of it. There are only so many people you can bring to Washington each year. That was the reason for starting the Civic Award Program and it was widely broadcast that you don't come to Washington for that. We think it is now appropriate to work with people who would be enriched immeasurably by this experience and are not likely to have it happen to them absent this extra push.

So Steve and his crew are asking you for more this year. We know how difficult it is but at least I for one am willing to say that this is the kind of program that I think we ought to be investing in.

I would say one more thing for the organization and that is that not only do you buy additional contributions from outside with your stake, you also get an extraordinarily enthusiastic and dedicated corps of people who work with Steve to see that these young students who take this program are going to get the maximum amount out of that experience. They are not very well paid, it put it mildly.

What we do get is their enthusiasm and willingness to transmit that to the students. It is a wonderful program. I hope again that you will be sympathetic. Now I will yield to the man who should have started this because he is the granddaddy of all of us at the table.

Mr. NATCHER. Before you yield to our friend from Florida, let me say, Mr. Frenzel, I was serving as Chairman of the Committee of the Whole when you made one of your first speeches in the House. I mispronounced your name.

You have announced your retirement, you are retiring from Congress. You have been one of the best Members that we have in the House. I say that frankly on the record. You are one of the good Members.

We appreciate your appearing before us at this time. Our subcommittee wants to wish you the best of everything. You can come back to see us anytime.

Mr. **Frenzel**. Thank you very much, Mr. Chairman.

Mr. **Fascell**. I want to join in that commendation of Bill Frenzel. He is one of the best, a strong supporter in the Congress. Let me say, he has not forgotten that first speech either where you mispronounced his name. Bill has been trying to crawl out from under that all these years. But we all wish him well.

I have some statements, Mr. Chairman, that I would like to submit for the record from Congresswoman Lindy Boggs, Mickey Edwards, and Congressman Fred Upton.

Mr. **Natcher**. They will all be inserted into the record.

Mr. **Fascell**. I have my own which I would like to submit for the record and talk extemporaneously for a minute or two in support of the CloseUp request before you. It is amazing to me that this is not only a congressional initiative but continues to be one. I think it is not only something we can be proud of but I just wonder why it is not in the budget.

I never have understood that. But nevertheless thanks to you and this committee the program continues and it is obviously the best investment dollar for dollar that we in the Congress have made in terms of our educational commitment to government and to people.

I have been associated with the program I suppose since the beginning like so many others have been. I have watched it grow. It has been active in my own district since 1972. I don't have to emphasize the multiplier effect both in dollars and people that the program has had. But they continue to innovate constantly. Now we hear about programs for new citizens, programs for senior citizens. We are talking about a variety of local and state programs; the bill practice Bill mentioned which by the way was financed by a local constituent corporation, Burger King, which is an excellent one. I support the request. I think CloseUp has established bona fideness not only in terms of producing for the dollar but in terms of terminating a program, going on the market and getting the money and legitimately coming to this subcommittee and asking for an increase in what they do.

I strongly support that and I hope you will, too. A program I recently participated in in a local district is another that I hope and I am sure it will because it is a good program, it involves several hundred high school students, seniors, their teachers and a working relationship with CloseUp, the Dade County school system, several private groups. It was quite a seminar. It dealt with the whole issue of foreign policy and getting youngsters involved in the debate. It was an outstanding program. You would have been energized to see how these youngsters participated in this discussion on a major foreign policy issue of the United States.

It is another program that I am sure will catch on and be innovative throughout the country.

So with all of these things, with the impact on students, with the impact at both the federal level, local level, state level, I see the effects and the work of CloseUp. I think it is wonderful. Everything I have ever heard, everything I have ever witnessed has been constructive and positive. It has been a tremendous investment for all of us.

So if one of the basic goals in our country is to prepare people to manage their lives and to keep a democratic society alive, then this program makes a tremendous contribution to that because obviously we all know that the strength of the system is predicated on our ability to sift facts, make independent judgments and to participate in a knowledgeable way in our society.

For all of these reasons, Mr. Chairman, I know that you and your colleagues on the committee will once again support this tremendous program. I thank you for doing that. I am very proud, with you, to have been associated in this effort.

Mr. NATCHER. Thank you, Mr. Fascell.

Mr. Janger.

Mr. JANGER. I am delighted to be here. It is always a distinct pleasure to sit beside these gentlemen and participate in the work that they have participated in so many years.

So often I have called Mr. Fascell's office and he says if you have Frenzel's office. It saddens me to see him leave the Congress of the United States. I want to thank him publicly for all the support he has given us. The ultimate beneficiary are the students and teachers not only those who come here but throughout the United States.

I would like to recap from my testimony that was submitted for the record. We have spoken over the years of what we started out to do and that was to create a program for every kind of student. You know, Mr. Chairman, Mr. Purcell, that eight days ago we were 20 years old. That does not seem like very much in the life time of the United States Congress but in my life time that is a long time. I am pleased to be starting my 21st year, eight days into it.

We never deviated from that principal mission which involved every kind of student, not just the student president, A students and C students and students dropping out. Orthopedically handicapped, hearing and visually impaired. It would be interesting to bring the thousands of letters we have received from parents and relatives from thousand of hearing and visually impaired or orthopedically handicapped students for whom we have made a place in the program. We actively seek their participation.

Mr. Chairman, Mr. Frenzel and Mr. Synar spoke about another program the Congress helped us initiate. If someone told me 20 years ago that we would be next year working with almost 2,000,000 students from the first time I appeared before you and the subcommittee, Mr. Chairman, we were working with about 15,000 students all together. I would say that they are too much of a dreamer even more so than I. But that is essentially what will happen and we are very proud of it. 1,500,000 of those students will contribute eight to 10 hours of community service as part of their participation in a CloseUp program, the Civic Achievement Award.

In the past I have spoken about the great need for students. This year I would like to emphasize teachers. We are fortunate enough to have in the room a number of teachers who participate on Allen J. Ellender programs because they have teachers who represent all the states in the country to come up for their individual teacher's program.

I would like to significantly increase our teacher work this year. It is almost impossible to calculate what this means in the life of a teacher. That teacher goes back to the district and works with 125 students every year for hopefully 20 or 30 years. If we can give that teacher confidence, essentially that is one of our principal missions.

We talk about student drop out but if one really focuses on how much educator, teacher drop there is in this country today, teachers who have been thought of as second-class citizens. I would like to tell you that we cannot work with every student or teacher in the United States but we can make a difference in the life on one student at a time and one teacher at a time. Our work focused on under served constituencies and educators and will continue to do that.

We will not let ourselves down as an organization. We would never let this committee down which has been so supportive in past years and we would certainly never let down the students and teachers who we serve all around the United States.

I want to thank you again, Mr. Chairman, for allowing me to present this testimony or recap before your subcommittee. I will be willing to respond to any questions you might have and I thank Mr. Synar, Mr. Frenzel and Mr. Fascell for their appearance here today.

[The statements of Stephen Janger, Representatives Synar, Frenzel, Boggs, Glickman, Edwards, Upton, and Fascell follow:]

# TESTIMONY

OF

STEPHEN A. JANGER
PRESIDENT, CLOSE UP FOUNDATION

PRESENTED TO

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, EDUCATION & RELATED AGENCIES

THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN

APRIL 30, 1990

Mr. Chairman, Members of this Subcommittee, my name is Stephen A. Janger and I am president of the Close Up Foundation. I am privileged to testify once again before this Subcommittee to request continued funding for the Allen J. Ellender Fellowship Program, administered by Close Up. For Fiscal Year 1991, we are respectfully requesting an appropriation of $5.85 million. This funding will allow us to continue to increase both the number and diversity of disadvantaged students and at the same time will enable us to build upon the equally important teacher element of the Ellender Fellowships through an expanded and specially focused educator component. Working with all 50 states, the District of Columbia, the Commonwealth of Puerto Rico and the U.S. Territories, we propose to expand our work significantly with educators in Washington, D.C., for an additional 1200-1400 carefully selected teachers and educational administrators each year. We also propose funding to help increase both the number and amount of fellowships to disadvantaged students. I will outline our complete request in greater detail later in my testimony.

The Close Up Foundation is a nonprofit, nonpartisan citizenship education organization, whose primary mission is to bring about a more active and informed populace through educational programs in government and citizenship. Over the years, support from the Congress, through the leadership of this Subcommittee, has helped to enable us to include in our Washington program tens of thousands of economically disadvantaged students and their teachers. This year alone, some 26,000 individuals will participate, several thousand of whom would not have had the opportunity to take part in our Washington Program without the assistance of Ellender Fellowships in conjunction with Close Up-generated private sector support.

Let me take a moment to review the progress we have made over the years in meeting our pledge to make the Close Up experience accessible to citizens of all backgrounds, geographic locations, abilities or economic circumstances.

Initially, the Washington Program targeted high school students and their teachers, making a special effort to reach at-risk students. Since then, we have broadened our scope to identify other groups or individuals who would benefit from civic education. We are pleased that the following two dimensions of our work have become a part of the Ellender Fellowship Program.

Six years ago, for example, we initiated our Program for Older Americans, to give senior citizens across the country the opportunity to examine firsthand how our government functions and return to their communities with a renewed sense of civic involvement.

In 1988, we began a Program for New Americans to assist schools in meeting the challenge of the nearly 3 million immigrant children in our public schools. This program gives tenth and eleventh grade students of need who are recent immigrants the chance to learn more about America's cultural and political heritage and how they can help preserve it. Skilled and committed teachers who work with these students also take part in all phases of this program.

Each of these programs is designed to instill an awareness of citizenship as an ongoing process, not a one-time experience. Just as learning and education should continue through life, citizen involvement must never be limited by time, age, background or ability.

Mr. Chairman, in requesting funds for these programs, the Foundation, as it has done for almost twenty years, makes a renewed commitment to engage additional sponsors from the private and philanthropic sector, large and small, who share our vision and our urgent concern for the civic education of this nation's citizens. These private sector partnerships are fundamental to all of our programs' dimensions.

As you know, however, many Close Up programs do not involve any federal funds, although each is essential to our commitment to involve as many individuals as possible in citizenship education activities. All of our programs are structured to establish private sector partnerships to achieve a broadbased multiplier effect.

For example, our weekly public affairs television programs are aired over the C-SPAN cable network which reaches more than 44 million households. Tapes of these programs are widely and effectively used by civic and government teachers throughout the country. We often utilize this kind of technology to assist the more than 150 local, state, and regional programs conducted each year through the efforts of volunteer steering committees.

Our Citizen Bee competition, initiated five years ago, helps stimulate interest in history, geography, economics, current events, American culture, and government through local, state and national competitions. Award-winning publications are available in schools across the country, beyond those that participate in Close Up.

This year, we meet at a time when our country's educational achievements and goals are being scrutinized and reevaluated. Recent studies have sounded danger alarms, warning us that major changes must be made. We're told that in 1988, 700,000 18-year-olds were school drop-outs; that illiteracy among minority students overall is now as high as 40%; and that by the year 2000, 42% of public school children will be minority or needy or both.

Still further cause for concern are the latest studies conducted by the National

Assessment of Education Progress, showing that students possess only the most superficial knowledge of the basic structure of our government and the contributions of its leaders. These studies further suggest that our curricula are imparting little more than isolated facts in such fundamental subjects as history and civics. At a time in this rapidly changing world, when so many millions are seeking simply the basic opportunity of self-government, it's sadly ironic that young people in the greatest democracy in the world know and appear to be learning little about their own heritage of freedom and self government.

For example, only 39 percent of senior high school students were familiar with the presidential nominating process, and only 38 percent could identify the opening passage of the Declaration of Independence.

Fortunately, we are responding to the urgency of these findings. Among the goals issued by the President's Education Summit with Governors is a call for America to invest in our nation's education system to meet our children's needs for successful citizenship. But setting goals can be a futile exercise if we do not first define the steps and sacrifices required to achieve them.

Congress is to be commended for its foresight in advancing legislation to reduce dropout rates, drug abuse and illiteracy, to encourage national and community service, and most importantly, to recruit and train teachers.

Of all the problems we face in education, the national crisis in teacher preparation is certainly one of the most, if not the most critical. There has been a steady decline in the supply of teachers. In 1992, the number of newly graduated teachers will fill only two-thirds of the positions available. Sadly, of the estimated 100,000 young people who will complete their formal college preparation and embark on a teaching career this year, more than 30,000 will leave the field within the next five years.

In addition, educators will need to be more knowledgeable than ever before. They will face increasingly diverse populations and teach subjects that are becoming rapidly and measurably more complex. They will be expected to be models for their students and mentors to the younger and less experienced in their profession. Ironically, these at-risk teachers -- those least experienced and most vulnerable -- are most often placed in the most difficult jobs with little support and with limited opportunities for professional dialogue with colleagues for real professional development.

In past year's testimony, I have focused my remarks primarily on students -- about how we have involved students from all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and the United States territories -- from isolated fishing villages in Alaska and the heart of our inner cities, from remote rural regions and island communities, and from schools located on reservations. I have also talked about the steps Close Up has taken historically to ensure that hearing impaired, visually impaired, orthopedically handicapped, and children with limited English proficiency are mainstreamed into our Washington Program.

But this year I want to talk about teachers -- the common denominator of all educational discussion.

For nearly twenty years, the Close Up Foundation has worked directly with teachers from all parts of the country to provide them with experience and resources to nourish their own intellectual growth, self-esteem, and confidence in the classroom. At the end of this academic year, more than 30,000 classroom teachers (along with some 250,000 students) will have come through our Washington Program. Additionally, almost 4,000 educational administrators -- including school, district and state social studies supervisors; directors of secondary education; district and state superintendents; and school board members -- have participated in the Washington Close Up experience. These teachers and educational administrators tell us that their participation in Close Up activities has given them a renewed sense of commitment and enthusiasm that enables them to enliven and enrich their classroom instruction, curriculum development and system-wide administration. I'd like to share with you a sampling of the kind of comments that we hear regularly.

A social studies teacher from Arizona wrote:

> My participation [in Close Up] has enriched my teaching in the classroom in many ways and I look forward to using the knowledge gained in the years ahead.

Another educator from Minnesota expressed his enthusiasm for the program:

> Close Up has become a vital part of our social studies curriculum. It has made me a more effective teacher, it has been responsible for sparking an interest in government in our students, and it has brought our community close together in an effort to afford these young Americans the opportunity to view our government on a first-hand basis.

Still another teacher from Georgia adds:

> The teacher's program was equally exciting. The Close Up program secures excellent speakers on a wide variety of topics and issues. I especially enjoyed seminars on the media and the economy, and a visit to the Soviet embassy. Like the students, I had the opportunity to attend congressional hearings. As an Economics teacher, it was thrilling to watch the House Budget Committee's proceedings on the thrift industry. I returned home satiated with materials, ideas, and information that I could share with my students. Needless to say, my enthusiasm was contagious.

We also know that these experiences create a huge multiplier effect: teachers reach approximately 125 students each year of their teaching career and administrators have a span of contact and influence almost too broad to calculate over the years. Mr. Chairman, we believe strongly that any efforts to improve the state of American education and promote active civic involvement must begin with ensuring an ample corps of effective, inspired and well-prepared teachers.

In accordance with this need, the Close Up Foundation is proposing to significantly extend its work with teachers and school administrators. As is the case with all of our activities, the programs will be both content- and experientially-based and will be conducted in Washington, D.C. The principal focus will be newly trained teachers in the fields of civics and social studies with a special emphasis on those from school systems with high drop-out rates, teacher turnover, difficulty in recruitment, and concentrations of minority and at-risk students. The programs will continue to be staffed by experienced Close Up instructors and noted educators in the field of citizenship education.

Specifically, we plan five to seven additional programs each year for some 1200-1400 educators responsible for teaching and developing social studies and citizenship education at the secondary level. The programs would provide educators with an in-depth, first-hand examination of the American political process and the making of public policy, and would take advantage of the unique resources of learning in Washington, D.C. Educators would participate in seminars with government officials from all three branches of government, and representatives from the media, the international, business and academic communities. They would participate in daily workshop groups to discuss issues and exchange information and ideas. They would be exposed to some of Washington's unique learning centers such as the Smithsonian Institution, the National Archives, and the Library of Congress to pursue individual interests and acquire specific resources and materials for classroom use. Through the multiplier effect, these educators will in turn reach and influence hundreds of thousands of students throughout their teaching careers when they return to their own districts.

Teachers most often begin teaching government before ever coming to the nation's Capital. Despite her enthusiasm, her preparation, and her intentions to prepare her students for their role as citizens, a secondary school teacher from Texas noted:

> After seeing government in action here in D.C., I know that I never should have taught social science or government the way I have been doing. Textbooks just don't reveal the true story. And I thought I was politically astute!

An important element of these teacher programs would involve telecommunications in order to expose educators to the technology of educational television and the use of video materials in the classroom. In the long term, we are interested in developing a series of teleconferences, as we do now with our Washington Program, that would extend teacher enhancement activities into the school year. This far reaching technological component would be supplemented by partnerships with the private sector.

A Close Up teacher from Indiana wrote:

> We participated in a C-SPAN telecast which was very exciting; many of us will now employ C-SPAN in our classrooms. Additionally, we all made many new friends and were able to learn about people from other parts of the United States.

Like all Close Up programs, these teacher programs will be designed to assist educators help students meet the basic goal of participation in democracy more effectively. For only by setting aside textbooks and observing and participating in the workings of government and the making of public policy can educators develop and renew the skills necessary to develop in their students not only habits of the heart but habits of the mind: developing a sense of shared humanity, questioning stereotypes, analyzing the oversimplified, and learning the lessons of costs and compromises, rights and responsibilities.

Through such experiences, they can help their students learn through placing information in a human context, and appreciating, rather than taking for granted, the traditions, values, and forces that create a free society.

This signals no intention to lessen our commitment to the basic concept of the Ellender Fellowships in any way. The increase that we have asked for in the core fellowship program reflects in many ways the same pressures and constituencies that we are speaking to in our request for an expanded educator program.

The very student populations that are most at risk are those we seek to serve. A part of the Close Up philosophy has been that each fellowship student should earn part of his or her way to Washington. As the costs of providing a program in Washington have risen -- costs in transportation, hotels, instructor salaries, to name a few -- the percentage of fellowship help provided for individual needy students has remained the same. Within many educationally high risk school districts, it has become difficult for students to raise a growing portion of their costs. Therefore, we are respectfully asking that the Ellender fellowships be increased so that each fellowship student has slightly less to raise. We would also wish to include additional schools with heavy concentrations of at risk students. It is difficult to put a price on knowledge and self esteem for young people relative to our work, but we have seen that every dollar appropriated for the Ellender Program has made a significant impact on the lives of young people.

For almost twenty years, Close Up has raised many millions of dollars so that students and teachers representing every facet of society could participate in the Washington experience. Feedback has been staggeringly positive and, in so many cases, indicative of experiences that have been life transforming among students and teachers alike. Earlier I shared that feedback with you.

In closing I would like to add two additional thoughts: one from a Close Up alumnus who is currently Legislative Director in a Senate office and another from a veteran teacher from California:

> I learned more during that week than I did in a whole school year! It was my first exposure to Washington and it really changed things for me. I was going to be a business major -- but after Close Up I decided to major in political science. In fact I started a political forum when I got to college that was modeled after Close Up -- and it's now in its 12th year!
>
> I also told my fellow teachers that, in twenty-eight years of teaching, I have attended many good workshops, institutes, and programs, but your program was by far the best.

Mr. Chairman, Close Up respectfully requests Allen J. Ellender Fellowship support of $5.85 million for FY91, to be allocated as follows:

- $4.45 million for the basic Washington Program (Parts I and II) conducted for disadvantaged students, their participating teachers, recent immigrants and senior Americans.
- $1.40 million for a series of specially designed civic educator programs in Washington, D.C. focusing on educators in high percentage secondary school dropout areas, beginning teachers, and administrators whose civics and government curriculum responsibility is significant.

Thank you for your interest in and support of our work and for the courtesy you have extended in permitting me to submit this testimony. I would be happy to respond to any questions you, or other members of this Subcommittee, may have and appreciate your consideration of this request.

Testimony of The Honorable Mike Synar
Presented to
The House Subcommittee on Labor, HHS, Education, and Related Agencies
April 30, 1990

Mr. Chairman, members of this Subcommittee, I am delighted to appear before you today. I am always pleased to speak at great length about my strong support of an organization which truly makes a contribution to the lives of thousands of young people and to our nation every year -- the Close Up Foundation. I won't speak at great length, but the extent of my enthusiasm is by no means reflected by the brevity of my comments.

As you know, Close Up administers the Allen J. Ellender Fellowship Program which enables low income and at-risk students and their teachers to participate in a week-long, intense civic education program. I come before you today to request that serious consideration be given to increasing the funding of this unique program.

Mr. Chairman, we all keep hearing about the dismal state of our education system. We read about the drop-out rates, the illiteracy rates, and the ever-growing numbers of disillusioned young people. We know that we have to turn these problems around, but we've yet to agree on the priority of the goals, let alone the specific steps which need to be taken.

Since its inception, Close Up has never waned from its commitment to reach out to and include in its educational activities the broadest possible spectrum of participants. Each program is targeted to a different constituency and each seeks to instill an understanding of the rights and responsibilities of citizens. By doing so, students, teachers, and senior Americans come to learn that there is a special role for them in shaping our future. What we read in books may make an impression, but what we see and feel and do makes that impression indelible.

I pride myself in having the good sense to recognize the educational value of Close Up and I've become as immersed in the Foundation's activities as time will allow me. I am incredibly impressed with this organization which is categorically dedicated to reaching at-risk populations.

I receive a great deal of enjoyment from discussing issues with students. And let me tell you, I have seen shy, retiring teenagers almost burst when they finally get up the nerve to ask me one of those really tough questions. I could tell that they had carried the questions in their head for days. I could tell they were proud that they had been taken seriously; I could tell that asking a Member of Congress a probing question was not an easy feat. I know that the Close Up instructors, working in groups of 15 or 20 students, help them sort through all sides of the issues, help students come to their own conclusions, and build the confidence necessary for the question to be asked. And I know that that student carries home a feeling of empowerment and self-esteem which, hopefully, will translate to a life-long commitment to participation in our political process.

Mr. Chairman, we generally think of at-risk students as coming from low income, inner city, single parent families. Many of these individuals are at-risk and feel disenfranchised and isolated. There is another kind of isolation students can feel -- geographic isolation -- and Close Up reaches out to both. The Ellender Fellowship Program is the essential cornerstone to this outreach.

The funding provided by Congress since 1972 for the Fellowship Program has served as the catalyst for the creation of a public-private partnership. Because of the federal government's commitment, Close Up has been able to raise millions of dollars from the private sector, from philanthropic, corporate, and individual contributions.

The Close Up philosophy calls upon those needy students eligible for fellowships to raise some of the money themselves, believing that this gives them a greater investment in their learning experience. Student do this either individually or collectively with other students from their school. Many schools begin a year-long fundraising effort within their communities for next year's participants the moment this year's students return from Close Up's Washington program.

Through the leadership and support of this Subcommittee, the federal portion of the Ellender Fellowships has gone up since 1972, and combined with the increased monies raised by Close Up, greater numbers of students have received fellowships. Even so, with the costs of conducting this program rising and with so many school systems in financial difficulty, the fellowship level of support doesn't go as far or reach enough at-risk students. Few fellowship students can raise all their share of the money on their own. Schools are in tough shape as it is. And the supporting communities have to fund competing interests -- basic necessities -- before Close Up even gets in line.

Mr. Chairman, the economy in Oklahoma and other parts of the country is severely depressed. It is harder and harder for students to generate an increasing amount. This is true in the rural areas of my district, and it is true in the inner cities. These financially and geographically isolated students are exactly the type of young people who most need the educational experience that Close Up offers.

I want to personally request that this Subcommittee favorably respond to Close Up's proposal to increase funding for the Allen J. Ellender Fellowship Program. I know Close Up will work hard to generate greater private contributions. Collectively, this will enable Close Up to provide both greater numbers and increased amounts of individual fellowships to the very students we need to reach most.

I want to thank you in advance for the courtesy of allowing me to testify and for your serious consideration of my request.

Testimony of the Honorable Bill Frenzel

before the Subcommittee on Labor, Health and Human Services, Education and Related Agencies Appropriations

The Honorable William Natcher, Chairman

April 30, 1990

Mr. Chairman, I have had the pleasure of appearing before this esteemed subcommittee on many occasions on behalf of my friends at the Close Up Foundation and the hundreds of thousands of students and teachers that they have served with such integrity for almost two decades.

I have taken some time to look back over those years of testimony and several themes were central to my comments. It seems fitting to me to note again those themes, in part, because this is the last time I will be appearing before you on behalf of Close Up, and it seems a proper culmination of my Congressional participation with Close Up, and in part, because I have the pleasure of relating an important new development.

I have supported Close Up for many reasons - and I will quote from past statements: "Close Up has provided quality citizenship education programs to high school students and their teachers and in so doing, the Foundation has made a major contribution to our secondary education system by enhancing the traditional classroom curriculum.

The Allen J. Ellender Fellowships allow low-income students and their teachers to participate in the core program of Close Up, the week-long educational experience in Washington, D.C. The need to reach students from all socio-economic and academic backgrounds is central to Close Up's mission and, in part explains the extraordinary success of this organization." And I then added, and I still feel that "It is certainly one of the principal reasons I am such an ardent supporter and why Close Up enjoys widespread respect within the educational community."

The themes that I noted most frequently, and ones that mark Close Up's uniqueness were: experiential learning - an on-site program in Washington and the participation of all manner of students of teachers including a broad socio-economic and academic spectrum along with youngsters who are hearing or visually impaired or orthopedically handicapped. I also frequently noted that "Close Up is and remains an innovative organization."

Close Up continues in its record of success with what I would call the core Ellender program and more. Others will speak to the further constituencies served.

Along with my support of the Ellender fellowships, I have also spoken on behalf of the Civic Achievement Award Program, the initial planning stages of which I was pleased to play a part.

I hope that you share my pride in the history I am about to relate here today.

In 1987 recognizing the crisis in civic education, the Congress embraced a program that was introduced by the Close Up Foundation in cooperation with the National Association of Elementary School Principals, to establish a pilot civic initiative for the elementary and middle school population, the Civic Achievement Award Program in Honor of the Office of the Speaker of the House (CAAP). After almost three years in the field this program has been, by every measure, wildly successful. The Congress supplied the total amounts necessary for the pilot and field test years and served 28,000 students. This fiscal year, designed to be the national launch effort, funding was appropriated to serve 60,000 students. However, recognizing that current fiscal constraints would limit the amount of participation, both Committees of jurisdiction in the Congress (House Administration Committee and Senate Rules and Administration Committee) urged the Close Up Foundation to seek private sector sponsorship to enable the program to expand from thousands to potentially millions of students.

Close Up has taken that charge very seriously and I am proud to announce to this subcommittee that Close Up has secured private funding from the Burger King Corporation for broad sponsorship of CAAP. The funding from Burger King has enabled Close Up, this academic year, to serve 420,000 students! CAAP is now in every Congressional district and in more than 15,000 classrooms. Further, a Burger King commitment for next year will enable Close Up to reach approximately 1.5 million students. At this time, the Close Up Foundation is not seeking any further federal funding of this program.

The $1.03 million level of funding for the CAAP program was contained in the House Legislative Branch appropriation. So why am I relating this story, fascinating though it may be - now?

First, the Congress is to be commended - we should feel proud, I know that I certainly do - that we recognized the potential of an outstanding program that could meet a very real need and that we responded by allocating federal dollars in a way that made good educational sense. We should also feel proud that we placed our trust in an organization that has had a history of taking federal dollars and multiplying them many times over to reach hundreds of thousands of students. We should proclaim loud and clear the great sucess of the investment of those federal dollars and frankly, gentlemen, we should encourage the further development of just these kinds of efforts.

I'm sure you understand why I have taken your time to talk about CAAP during this particular subcommittee hearing.

CAAP was established and funded in great part because of the record of accomplishment built by Close Up in fulfilling the mission of the Ellender Fellowships. This subcommittee's faith in Close Up has been rewarded many times over with the multiplication of resources that Close Up has brought to the fellowship program. Now, Close Up has, again, proven itself to be a worthy recipient of our trust, and has, in a most significant way multiplied those federal seed dollars.

The Close Up Foundation has brought another opportunity to the Congress through this subcommittee, an opportunity represented by a request for increased focus and effort in their work with teachers and educational administrators. I see the establishment of expanded educator programs as the keystone piece of the Close Up Washington Program, the ultimate multiplier in terms of educational investment and return. We all know that Close Up cannot bring every high school-aged student to Washington (although, at times up here, it feels as if they have) but there are effective ways and corresponding appropriate periods of time to work with many, many more teachers here. It makes sense to do so and Close Up has shown over the years that they do it well.

In expanding their work with educators, Close Up will use the same successful techniques of experiential learning in Washington with populations that may never have the chance to see first hand the very subject that they are charged with teaching. They will inspire these educators with the abilities to get their students to invest in their own learning. Of paramount importance, they will give these teachers the added self-esteem and tools that they need to help us turn a generation of young people on to democracy - and service.

Gentlemen, you have played a significant role in advancing civic education in America, I urge you to continue to play a leadership role by giving every consideration to the Close Up Foundation's request. I want to thank you for the many courtesies that you have extended me over the years as I have appeared on behalf of Close Up's work through the Allen J. Ellender Fellowship Program.

Thank you.

April 30, 1990

STATEMENT OF CONGRESSMAN DANTE B. FASCELL (D.- FLA.) BEFORE THE LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION SUBCOMMITTEE OF THE HOUSE APPROPRIATIONS COMMITTEE IN SUPPORT OF THE ELLENDER FELLOWSHIPS PROGRAM

Mr. Chairman, I am very pleased to appear before you once again on behalf of the Close Up Foundation. It is a pleasure to be able to testify enthusiastically about an organization that endures and continues to find new ways to motivate young people, educators and senior Americans. As I have indicated in past years, I have long been involved with Close Up programs both in Washington and in my district and have seen firsthand the quality work this organization does at the national and local levels.

Close Up began its work in my district in 1972, the year the Ellender Fellowships Program was established. The core Washington program has remained strong, but many new dimensions have been added including programs for new Americans, senior Americans, and a variety of local and state government activities. Teachers have been motivated to return home and create relevant exciting local forums.

I wish I could have taken every one of you to the local program on foreign policy that was held this spring in Miami. It was an outstanding learning experience involving several hundred high school students and their teachers, and was prompted by an effective working partnership involving Close Up, the University of Miami, the Dade County School System and private school educators. No federal dollars are used for any of these local programs. They happen because returning Close Up teachers generate local excitement and local resources. More importantly, they create and multiply enthusiasm in students and other educators. Students become more involved and teachers return charged up -- rejuvenated with new ideas about how to make the democratic system come alive for their students. Participating in the recent local foreign affairs forum I mentioned made it clear once again just how successful these efforts can be.

Now I have learned that another Close Up program, one that received its start from federal funds, has obtained a major private sponsor, the Burger King Corporation headquartered in my home area of Miami. Burger King's commitment to this innovative program for fifth through eighth graders is significant and will permit potentially millions of young people to learn and become excited about their heritage and their country. An important element of the program is civic action and the total number of volunteer hours could stagger the imagination.

Close Up has written the Committees of jurisdiction to inform them that it will not be seeking to reauthorize and appropriate funds for the Civic Achievement Award Program in Honor of the Office of the Speaker of the House (CAAP). What Close Up is actually saying is "thank you very much for helping to get this started -- we'll carry the burden from now on in working with the private sector." We do not hear that very often up here.

Now, as you might suspect, I am here to urge a substantial increase in the Ellender Fellowship funding as administered by Close Up. I am here to make the point that this organization has a track record that fully justifies this Committee's past faith in it and this last bit of news regarding the CAAP program would seem to illustrate my point perfectly.

Close Up's work with teachers may have been a bit unsung in past testimony. Close Up has worked with over 30,000 teachers in the Washington program alone. Thousands more have participated in their local and state activities. We now have a chance to extend and expand that work by bringing educators to Washington in the summer and fall who might otherwise never have the chance to learn about practicing their trade_in one of the great learning centers of the world, our nation's capital. Close Up's experimental method of providing a program with an in-depth, first-hand examination of the American political process and the making of public policy brings immeasurable benefit to educators.

One of the basic goals of education is to prepare students for active, participatory lives in our democratic system. Without role modeling and direction from our schools, students might well lack the confidence, skill and interest in later life. Close Up's educator and educational administrator programs will continue to provide tangible ways for teachers to implement this critical aspect of citizenship education.

I note that Close Up hopes to target those groups of teachers for whom these experimental learning forums can be most relevant: teachers serving in communities without the resources to prevent teacher overload and burnout, beginning teachers, teachers in rural areas, teachers in areas with high dropout rates and areas with high minority concentration, and educational administrators whose responsibilities focus on civic curriculum.

Close Up's work with teachers has always proven to be a great confidence builder. Just as Close Up's work has a significant impact in raising the self-esteem of students, so it does with teachers as well. Teachers, too, frequently are undernourished professionally.

Mr. Chairman, in closing, let me salute you and this Subcommittee for your admirable record of investing in this outstanding program. I urge you again to recognize that Close Up has always brought us real opportunities and, more importantly by education, value for and enthusiasm about this great nation. Only a well-informed citizenry with the will to be involved keeps a democracy healthy. This Subcommittee and the Congress have helped improve civic learning through the Close Up administered Ellender Fellowships. We now have the opportunity to multiply their productive efforts even further, and I urge your continued support.

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DRAFT STATEMENT FOR REPRESENTATIVE FRED UPTON

BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES

EDUCATION AND RELATED AGENCIES APPROPRIATIONS

THE HONORABLE WILLIAM NATCHER, CHAIRMAN

At the Education Summit last September, the governors and President Bush outlined broad goals to strengthen and improve our educational system. These goals include:

- Raise the high school graduation rate from 71% to 90%.
- Students in grades four, eight, and twelve will demonstrate "competency in challenging subject matter including English, mathematics, science, history and geography."
- all adults will be literate and "possess the skills necessary to compete in a global economy."

I believe we can keep students in school and encourage them to graduate by offering them challenging and relevant programs that make them feel like true participants in this society.

Too often, young people cannot make a connection between what they study in school and what they consider to be life in the "real" world. The Close Up Washington Program makes history, government, and the other social studies more relevant by introducing students to individuals and institutions involved in making our democratic systems function on a day to day basis. Close Up provides tangible examples of

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how individuals can access the system -- and how they make a difference within it. Mr. Chairman, these are powerful lessons which can help increase a student's self esteem, and a sense of empowerment can go a long way to combat isolation and a feeling of helplessness. Close Up is not the panacea -- but it demonstrates alternatives to dropping out.

I would suggest that to "possess the skills necessary to compete in a global economy" goes far beyond basic literary skills. It means understanding our heritage, our traditions and how they relate to the beliefs of others and the rapid changes that are occurring in the world. It is vital that students throughout the country know the lessons of history, how our government works, be aware of global events, so that they can take their rightful place as informed and effective citizens. Since 1971, the Close Up Foundation has been a successful catalyst for imparting this kind of knowledge. The hands-on methodology of the Close Up program makes learning come alive for participants and helps guarantee that the lessons will endure. To make this possible, to serve the needy student who otherwise would not be able to participate, to include teachers upon whom so much of the success of our educational system depends, the Close Up Foundation must maintain the Allen. J. Ellender Fellowship Program.

When I began serving in Congress, I learned very quickly about the Close Up Foundation's work and continue to applaud the far-reaching multiple effects of the Allen J. Ellender Fellowship Program and private sector partnerships. Close Up works very hard to make this modest investment pay great dividends for the good of our entire country.

The original decision to establish the fellowship program was, in my opinion, an inspired one on the part of the Congress. Close Up's determination, efforts and success in multiplying these fellowships through private sector partnerships are responsible for the broad growth in their scope of educational activities. I strongly believe, despite the budgetary constraints, we must continue funding for this important program.

One of my favorite parts of this job is meeting with the many students from Michigan's Fourth District who come to Washington. It is truly a pleasure to see Close Up students' enthusiasm to expanding their horizons and participating in the political process. This is one of the reasons I wholeheartedly support this valuable program.

Testimony of

Representative Lindy Boggs

THE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION AND RELATED AGENCIES

Committee on Appropriations

U. S. House of Representatives

Monday, April 30, 1990

I deeply regret that my schedule prevents me from appearing before your Subcommittee as I have done several times over the past few years. Instead, I am submitting this statement to encourage you to continue your strong support of and funding for the Allen J. Ellender Fellowship Program, administered by the Close Up Foundation.

As you know Mr. Chairman, the Close Up Foundation was founded some twenty years ago to provide an opportunity for high school students and their teachers to learn about our Federal government by direct participation and observation. The experience of meeting with those of us who represent them in Congress -- as well as with executive branch officials, lobbyists, journalists, and many other policy makers -- is a learning experience which has an impact far greater than just sitting in a classroom and reading a textbook, although those educational activities are certainly invaluable.

In addition to the quality of its curriculum, Close Up is unique because it benefits the widest possible range of students. The program is open to all students, not just school leaders, the affluent, or the academically superior. The Foundation ensures the participation of a diversity of students -- and particularly students from low to middle income families -- by awarding fellowships to each participating high school.

Close Up is not content with its successes, but instead continues to identify the special needs of neglected constituencies and develop high quality programs to address them. In 1988, Congress reauthorized the Allen J. Ellender Program and extended its reach to allow economically disadvantaged older Americans to participate in Close Up's Program for Older Americans and to allow low-income students of recently immigrated families to participate in Close Up's Program for New Americans.

Since its inception in 1984, Close Up's Program for Older Americans has enabled more than 3,000 senior citizens from across the country the opportunity to experience the democratic process firsthand, by spending a week in Washington and speaking with our nation's leaders and policymakers.

Recently there has been much said and written about the upcoming "senior boom" and the changes that will occur in our American society as a result. Average life expectancy has increased from 47 in 1900 to 75 today and may further increase to 80 within a decade. These senior citizens are taking a more active role in petitioning the government about issues concerning them specifically, as well as those issues that affect us all. By providing them with a window on Washington for a week at a time, the Program for Older Americans empowers this growing constituency with the much-needed knowledge necessary to understand the actual workings of all three branches of government. They are a marvelous resource for democracy.

In order to reach as many older Americans as possible, Close Up has developed a nationwide network with existing aging advocacy organizations such as the National Association of Area Agencies on Aging, the American Association of Retired Persons, the National Council of Senior Citizens, The National Center and Caucus on the Black Aged, the National Indian Council on Aging, and the National Association for Spanish Speaking Elderly. These organizations assist Close Up in identifying low income seniors who would most benefit from the program, as well as from fellowship assistance.

Mr. Chairman, these senior Americans take back to their communities an increased enthusiasm about personal participation. Many have become involved with Close Up's student programs, organized voter registration and Get Out the Vote activities, and have established volunteer networks. In most cases, theirs is not merely a week-long involvement with Close Up.

Close Up's Program for New Americans was initiated in 1987 to accommodate the special civic needs of the estimated 56,000 immigrants, ages 15 to 19, who arrive yearly and whose understanding of the American government and knowledge of their potential roles in our system are limited.

From its pilot initiative of three communities in the 1987/88 year, Close Up's Program for New Americans has increased to 45 communities involving more than 1,000 participants during the present 1989/90 academic year. The program is designed to assist recent immigrant students become integral parts of their communities and to instill in them a strong appreciation for American democratic traditions.

The program consists of three separate -- but complementary -- phases which are designed to yield personal and community benefit. In the first phase, conducted through their high school, Close Up students study the U.S. Constitution and the Declaration of Independence and participate in government-related activities. The second phase takes place in the Nation's Capitol where participants discover how the Federal government operates and how the rights, duties and privileges of citizenship are realized. The third phase culminates when students impart their knowledge to the community through organized service projects and activities, thereby expanding further the positive impact of the experience.

The importance of this program is underscored by immigration statistics which indicate that the United States is presently witnessing the largest influx of immigrants in its history. Many arrive from cultures and societies deprived of basic democratic traditions. Without the means of identifying with the larger surrounding community, such groups remain isolated. Measures must be taken to introduce and incorporate these new citizens into the American political system. The Program for New Americans, provides an essential mechanism to achieve the mission of promoting and expanding civic literacy.

All of the Close Up Foundation's programs strive to increase civic involvement and stimulate resonsible participation in the American democratic process. The cornerstone of this participation is the Allen J. Ellender Fellowship Program, funded by every Congress since 1972. This program provides funds which the Close Up Foundation uses as a catalyst to produce a multiplier effect of fundraising, participation, and community support. The Foundation raises funds from corporate, civic, philanthropic, and individual sponsors that significantly extend the reach of the Federal dollars. Additional fellowship funding would ensure increased participation among at-risk students and their teachers.

Over the years, more than 17,000 Louisiana participants have benefitted from their Close Up experience, with some 13,000 from the New Orleans area alone. Locally, preparation for the week in Washington is extensive, and considered an extremely important element of the social studies curriculum. I am proud to add that the Orleans Parish School Board has for years been a strong partner in providing encouragement and fellowship monies to support additional New Orleans participation.

Mr. Chairman, recently two students -- both distant cousins of the late Senator Allen J. Ellender -- participated in Close Up. Both Elise Ellender and Chris Cenac reported that their week in Close Up truly brought government alive. Each took pride in the fact that they were related to the man for whom the cornerstone of the Foundation -- the fellowship program -- was named.

Few activities are more deserving of our support than citizenship education. And now, despite spending constraints, increased support for the Allen J. Ellender Fellowship Program is one of the clearest expressions that Congress can make about our commitment to understanding and appreciating the heritage of this great country.

Dan Glickman

STATEMENT BY CONGRESSMAN DAN GLICKMAN
BEFORE THE SUBCOMMITTEE ON
LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION AND RELATED AGENCIES APPROPRIATIONS

THE HONORABLE WILLIAM NATCHER, CHAIRMAN
APRIL 30, 1990

Mr. Chairman: I would like to thank you for the opportunity to appear before the committee this afternoon to express my strong support for an increase in the funding for the Allen J. Ellender fellowship program. As you know, the Close Up Foundation administers these fellowships that give low-income and at-risk students and their teachers the opportunity to participate in their Washington, D.C., civic education programs.

For the past 19 years, Close Up has provided students and teachers with the opportunity to experience their government on a firsthand basis. Beginning in 1971 with several hundred students and teachers, the Washington Program has expanded to include all fifty states, the District of Columbia, and the U.S. Territories. These programs help provide our future generations with the critical thinking skills necessary for an active and informed citizenry. The fellowships ensure that all students regardless of socio-economic background are included in such an experience.

I think that we can all recognize the enormous benefit that the fellowships offer students. However; one often overlooked but vitally important function that the fellowships fulfill is to enhance the growth and professional development of our nation's educators.

Our country has entrusted teachers with the enormous responsibility of educating our youth. Not only do we expect our educators to teach specific courses and requirements to students, but we also expect them to serve as role models and leaders preparing students to take on their responsibilities as young adults in society. We, as a society, need to offer more help and support in this critically important endeavor.

The Close Up program and the Allen J. Ellender Fellowships provide the opportunity for teachers to renew their vigor and commitment to their students and fellow colleagues in a number of ways. Each year approximately 3,400 teachers and educational administrators accompany their students to Washington to participate in programs designed especially for their needs and development. One of the most rewarding aspects of the Close Up Teacher Program involves the chance to meet and exchange ideas with teachers from around the country. The opportunity to share ideas and techniques with each other has created a community and fellowship of teachers who improve and challenge our school systems.

The enthusiasm and leadership developed through these programs are evident in the amount of community-based projects that have flourished since 1973 as a direct result of teachers experiences in Washington. These projects and events examine government and issues at the state and local level. This year alone some 70,000 teachers and students will participate in these local programs, inspired and organized by teachers and administrators who have participated on the Washington Program and been the recipients of fellowships.

One of the more obvious benefits of the program is the use of Washington as a primary resource. Teachers are exposed to many of Washington's unique learning centers, such as the National Archives, the Library of Congress, the Smithsonian and others. Additionally, they meet with members of Congress, agency representatives, lobbyists, the media, members of the administration, representatives of the military and the judiciary. The teachers seek to expand their own base of knowledge and broaden their personal views on substantive issues through these meetings. Time is made available for independent research in the many agencies and interest groups in Washington. Most of the teachers take advantage of these opportunities to bring primary resources into the classroom.

If our schools are going to meet the challenges of the 21st century, we all must recognize the importance of continuing the learning process for teachers. Again, I offer my full support for an increase in the Allen J. Ellender Fellowship Program in order to expand Close Up's work with educators. I truly believe that this is an investment in our future we cannot afford to ignore.

## STATEMENT BY REPRESENTATIVE MICKEY EDWARDS BEFORE THE SUBCOMMITTEE ON LABOR-HEALTH AND HUMAN SERVICES-EDUCATION OF THE HOUSE COMMITTEE ON APPROPRIATIONS

April 30, 1990

Mr. Chairman, thank you for this opportunity to express my support for funding of the Allen J. Ellender Fellowship program administered by the Close Up Foundation.

The Allen J. Ellender Fellowship program helps to keep our system of government strong by making it possible for our nation's young people to learn how our government functions and to recognize that well-informed, shared opinions are critical for it to function well. Through the additional commitment of the Ellender funding, the Close Up Foundation has been able to broaden substantially its non-partisan citizenship education program.

This year, more than 25,000 high school students and teachers have been able to attend Close Up programs here in Washington and another 60,000 to 70,000 students have become involved in related government study activities at the local and regional levels.

Most of these students have been able to generate the financial support necessary to participate in these educational activities through private sector support raised from within their home communities or through the assistance of their parents. For many young people, however, such community or family support simply is not available. This is the reason the Allen J. Ellender Fellowship program is so important and why it should be continued.

Last year, nearly 2,500 students of low economic means were able to participate in the Close Up program only because the Ellender Fellowship program exists. These young people came from all 50 states, the American Territories, the District of Columbia, and the Commonwealth of Puerto Rico. The average income of their families was less than $15,500 with an average of four dependents.

It's critical that these young people have the opportunity to participate in the programs of the Close Up Foundation and to understand that our system of government depends on the equal involvement of all its citizens -- without respect to economic background or status of birth. Congress makes this important statement through the Allen J. Ellender Fellowship Program.

The Close Up Foundation and the Allen J. Ellender Fellowship program represent a partnership which works extremely well together. This committee has recognized the effectiveness of this partnership since the inception of the Ellender Fellowship Program. At a time when so many nations throughout the world are struggling to establish a democratic process, we must not lose sight of the importance of maintaining an understanding and appreciation of our own. This is the cornerstone of the Allen J. Ellender Fellowship Program and I hope this Subcommittee continues to give favorable consideration to its productive and positive work.

Thank you.

Mr. NATCHER. Thank you, Mr. Janger. You have given us a good statement.

I want to thank all four of you gentlemen for appearing before our subcommittee at this time. You have all made excellent statements. I can say to you as one member of the subcommittee that every consideration will be given to your request.

Mr. Pursell, I yield to you.

Mr. PURSELL. Bill was one of my first mentors, Mr. Chairman, as I came in as a freshman in 1976. We are all going to miss him very deeply. I hope that maybe he will come back as a director or something like that. He has a very sensitive role for young people of America and the teachers of America. We are going to miss you personally and financially as a financial leader.

Dante Fascell has almost a similar same as mine. When he goes on national television, people say in my district, "Carl, we heard your name on television the other night."

I just want to very quickly say that I had an opportunity to speak to 250 close up students about a month ago. I think it was the largest—I am not sure about this—the largest delegation ever to come to the Hill here from my congressional district.

Mr. JANGER. From two schools.

Mr. PURSELL. And so we have been very proud and happy to support your program. I know other members of the committee who are not here feel the same way.

Thank you, Mr. Chairman.

Mr. NATCHER. Thank you very much.

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MONDAY, APRIL 30, 1990.

## LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

### WITNESS

HENRY G. WILLIAMS, COMMISSIONER, NEW YORK PUBLIC SERVICE COMMISSION ON BEHALF OF THE NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS, WASHINGTON, D.C.

Mr. NATCHER. Our next witness is Mr. Henry Williams. Come around, Mr. Williams. We will be pleased to hear from you.

Mr. WILLIAMS. Thank you, Mr. Chairman.

My name is Henry Williams, and I am a Commissioner with the New York State Public Service Commission. I also serve as a member of the Committee on Energy Conservation of the National Association of Regulatory Utility Commissioners. We call it NARUC, on whose behalf I am appearing here today.

The NARUC is a quasi-governmental, nonprofit organization founded in 1889. Within our membership are the government al agencies of the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, engaged in the regulation of utilities and carriers. We are charged with the protection of the public interest, and it is for this reason that we are supporting restored funding for the Low-Income Home Energy Assistance Program (LIHEAP).

We appreciate the opportunity to address this committee to express our strong and continuing support for this extremely important program. We strongly share our gratitude to you for your strong leadership and creative leadership in carrying forward this program over all these years. This, we believe, is a very important program to all of us, not just in the regulatory community, but throughout the country. We urge, therefore, that proper funds for LIHEAP closer to the authorized level, which we understand is at the $2,015,000,000 in H.R. 4151, which is the pending authorization legislation.

Earlier this year in February our executive committee reaffirmed its support for LIHEAP at its winter meeting here in Washington. LIHEAP still serves less than half of the eligible population, and grant levels are sufficient to cover only a small portion of home heating or cooling costs.

Over the past four years, the program has suffered a 35 percent cut, from $2,010,000,000 in fiscal year 1986 to $1,393,000,000 in fiscal year 1990. Close to one million poor households have already been eliminated from the program.

President Bush's fiscal year 1991 budget proposal would cut LIHEAP another $343,000,000 or 24 percent, which could eliminate additional hundreds of thousands of households.

In New York State, we would see our LIHEAP allocation drop from $175,000,000 in fiscal year 1990 to the proposed fiscal year 1991 level of $133,000,000. This means that we will be able to serve less than one-half of the 1,900,000 dwelling units which are eligible under the Federal poverty standard.

New York is not the only State that would see its LIHEAP allocation drop dramatically. For example, Wisconsin's allocation under the program would be cut from $49,700,000 to approximately $37,300,000 in fiscal year 1991.

It would be a terrible and shameful act for this Nation to shift this additional burden onto the backs of the poor when they cannot even pay their current energy bills. It has been observed that the typical low-income household spends about 14 percent of its income on energy, which is four times the percentage paid by middle-income households. The burden is even higher because the real income of poor families has not risen as fast as inflation, causing a dramatic drop in their buying power.

LIHEAP prevents health- and life-threatening hardships for nearly 6,000,000 of our neediest and most vulnerable citizens. LIHEAP is a needs-based income supplement program serving only very needy households, of which nearly 60 percent have annual incomes of less than $6,000. More than half of the recipient households are working poor or elderly, and most do not receive any other type of public assistance. It is more true today than ever that many times they must choose between eating or paying their utility bills.

Both Congress and the Administration have been distracted by the phantom of oil overcharge dollars, which are now virtually depleted. Moreover, those funds were designed to make up for past injuries and were to supplement not supplant existing Federal and state resources.

As state utility regulators, we continually face situations throughout the country where consumers unable to pay their bills are shut off, despite the existence of LIHEAP, private fuel funds, weatherization programs and the various payment plans and customer assistance programs offered by utility companies. For example, last year in New York this combination of programs made 82,000 payments totaling over $70,000,000 to New York residents who faced utility shut-offs.

Charitable contributions are too small to fill the growing gap left by shrinking Federal LIHEAP assistance. Utility disconnection moratoria give winter protection in some states, but many millions of families have inadequate protection because they use fuel oil, propane and other unregulated fuels.

The existence of such moratoria in no way provides a complete or meaningful solution to the problem. On the contrary, the timing when the bulk of utility terminations occur in New York merely serves to underscore the year-round nature of the problem.

In the summer months, shut-offs still occur because of unpaid bills and the LIHEAP funds for the year have been expended. This leaves only charitable contributions to respond to the poor's energy needs.

Across the Nation there are vast numbers of potential tragedies waiting to occur, where homes are totally without any heating source whatsoever, and an even larger number make use of potentially dangerous heating sources. Moreover, the preventative role played by LIHEAP in maintaining the homes of low-income households and avoiding the more serious consequences of property abandonment—for society as a whole—cannot be overlooked.

It is wrong to think that LIHEAP benefits are simply another form of welfare for those already receiving other traditional forms of public assistance. Most LIHEAP recipients receive no other traditional public assistance, and many of them are classified as the working poor.

NARUC urges this subcommittee to ensure that there will be room in the Federal budget for adequate LIHEAP funding.

Thank you.

[The information follows:]

## Resolution Regarding Reauthorization and Appropriations for the Low Income Home Energy Assistance Program

**WHEREAS,** *The National Association of Regulatory Utility Commissioners (NARUC) recognizes the critical role that the Low Income Home Energy Assistance Program (LIHEAP) has played in providing assistance to millions of households in meeting their energy needs; and*

**WHEREAS,** *The Executive Committee of the NARUC adopted a resolution urging Congress to increase the funding for LIHEAP and the Weatherization Assistance Program at its 1989 Winter Meeting in Washington, D.C.; and*

**WHEREAS,** *LIHEAP is a needs-based income supplement program serving only very needy households, of which nearly 60 percent have annual income under $6,000; and*

**WHEREAS,** *More than one-half of the households that receive LIHEAP are the working poor or elderly, and most LIHEAP households do not receive any other type of public assistance; and*

**WHEREAS,** *LIHEAP funds last year helped to provide heating assistance, emergency energy assistance to those in urgent life-threatening situations, and cooling assistance to approximately 6 million households (down from 7.1 million in 1981), and also was used for weatherization of low-income households; and*

**WHEREAS,** *The average LIHEAP-eligible household spends about 14 percent of its income on energy, which is FOUR times that paid by middle income households, and the real income of poor families has not risen as fast as inflation, thus causing a dramatic drop in their buying power; and*

**WHEREAS,** *The program has suffered a 35 percent cut over the past four years (from $2.01 billion in FY 1986 to $1.393 billion in FY 1990 despite the obvious need to increase energy payment assistance, and those cuts eliminated close to one million poor households from the program while LIHEAP benefits were also reduced; and*

**WHEREAS,** *Utility commissions find that inadequate funding and recent cuts to LIHEAP have contributed to great hardship to elderly and low-income households, resulting in thousands of families having to double up and triple up in crowded homes and apartments, thus, contributing to another aspect of the homeless problem; and*

**WHEREAS,** *In the Bush FY 1991 budget proposal, the LIHEAP would be cut another $343 million, or 24 percent, which could eliminate additional hundreds of thousands of households from the program; and*

**WHEREAS**, *The average residential prices for primary heating fuels are rising and the U.S. Department of Energy projects further increases in 1990; and*

**WHEREAS**, *States and localities have been unable to adequately deal with normal winter weather needs, and much less cold-weather emergencies and rapid price increases, as evidenced in December 1989; and*

**WHEREAS**, *Final state decisions have been made regarding most of the oil overcharge funds that the states have received and the amounts committed to LIHEAP are too small to make up for past LIHEAP reductions, much less additional reductions, even if they legally could be used to supplement federal and state resources; now, therefore, be it*

**RESOLVED**, *That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), assembled at its 1990 Winter meeting in Washington, D.C., reaffirms its support for LIHEAP as a critically needed long term program and urges all Commissions to also actively support both the reauthorization and restoration of funding for LIHEAP; and be it further*

**RESOLVED**, *That the Executive Committee of the NARUC urges Congress to expeditiously consider and promptly approve the imperative reauthorization of LIHEAP on a long-term basis, and also to appropriate 1991 LIHEAP funds closer to the authorized amount.*

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*Sponsored by the Committees on Administration and Energy Conservation*
*Adopted February 28, 1990*

Mr. Natcher. Thank you, Mr. Williams. You have given us an excellent statement, and we appreciate your appearance.

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Monday, April 30, 1990.

## MILDRED AND CLAUDE PEPPER SCHOLARSHIP ACT

### WITNESSES

**FRANK IKARD, A FORMER REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

**PAUL PERITO, CHAIRMAN, BOARD OF DIRECTORS, WASHINGTON WORKSHOPS FOUNDATION, WASHINGTON, DC**

**LEO S. TONKIN, FOUNDING DIRECTOR, WASHINGTON WORKSHOPS FOUNDATION**

Mr. Natcher. Our next witness is Mr. Perito and our friend, Frank Ikard.

Mr. Ikard, it is a pleasure to have you back before the committee.

Gentlemen, we would be glad to hear from you.

Mr. Ikard. And accompanying me is Paul Perito, the Chairman of the Board of the Washington Workshops Foundation. He will present our statement.

Mr. Natcher. We will be delighted to hear from you.

Mr. Perito. Thank you.

I have had the honor of serving as Chairman of the Foundation in a pro bono capacity for the past 15 years. With us also in the back is Leo Tonkin, the Founding Director of the Workshops.

For nearly 25 years, the Workshops have provided for teachers and students an understanding of the congressional processes. This is a private nonprofit, nonpartisan educational foundation. The fiscal support thus far, Mr. Chairman, has been primarily from the students and the teachers and some great American companies like Union Carbide, American Airlines and societies like the Colonial Times of America, who have supported broad scholarship programs for youngsters from disadvantaged homes who cannot come to study in the crucible of government.

What is Mr. Tonkin, when he was a young chief counsel over on the other body, that conceived of this idea in the mid-1960s. And it was Senator Claude Pepper, Congressman Claude Pepper, your former colleague, who was the first participant by way of a speaker at the Workshops Foundation. And he continued to support that over the years, speaking every year to the Foundation.

The Workshops seeks to increase the participation of our physically handicapped youngsters in its Washington program, particularly those who are hearing-impaired.

For several years, we have sought to establish a specialized scholarship program for hearing-impaired to study government on a first-hand level. In this regard, your colleagues and you, both the House and the Senate, have unanimously passed a program to support the hearing-impaired in the name of the late Claude Pepper and his beloved wife, Mildred.

This program would support approximately 325 young hearing-impaired students to come to Washington and learn first-hand. It is particularly fitting that this program bears the Senator's name.

Chairman Pepper was, as I said, the first Member to address the group. During those difficult, dark years in 1968, 1967, when fires raged and burned in our Federal city, our Nation was torn by dissension, assassination. It was a difficult time contemplating bringing yet another group of students to Washington. Yet, in the true spirit of Claude Pepper, he encouraged Leo and members of the Foundation to keep going so that young people could come in here, not to riot or to be involved in physical confrontation demonstrations, but rather to study, to learn and to grow in the true crucible of a viable democratic form of government.

I, Mr. Chairman, can speak personally to this issue of Chairman Pepper's commitment because I had the honor of serving as his first chief counsel on the House Select Crime Committee in 1970. It was there at that time, Mr. Chairman and Mr. Pursell, that I learned first hand the struggles of the hearing-impaired because the late Claude Pepper struggled with that malady, and he overcame it.

He felt very strongly about the issue of creating a viable opportunity for physically handicapped and hearing-impaired to come to learn and to grow in Washington. I know you and your colleagues, Mr. Chairman, Mr. Conte and others, have supported that program by participating in the sessions and the dialogues.

We ask for you support to create a continued, continue to create a cadre of responsible constituents. Many of our graduates serve on the state and Federal level. Many of them serve in our great national civil service. Many of them have continued to be informed citizen constituents.

Members of the House and Senate have supported an authorization. We very much hope that you will support an appropriation.

Finally, it will be cast in the memory of one who helped bring this concept of first-hand civic education into the fabric and lexicon of our Washington existence.

I have submitted a more detailed statement, Mr. Chairman, which I would appreciate your including in the record. You have been very gracious with your time, you and Mr. Pursell. I would be pleased to answer any questions you have, sir.

[The statement of Mr. Perito follows:]

The Washington Workshops Foundation

3222 N STREET N.W., SUITE 340
WASHINGTON, D.C. 20007
(202) 965-3434

STATEMENT OF

PAUL L. PERITO, ESQUIRE
CHAIRMAN OF THE BOARD OF DIRECTORS

WASHINGTON WORKSHOPS FOUNDATION

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON LABOR, HEALTH AND
HUMAN SERVICES, EDUCATION

April 30, 1990

Submitted by:

Paul L. Perito, Esquire
Laxalt, Washington, Perito & Dubuc
1120 Connecticut Avenue, N.W.
Washington, D.C. 20036

Mr. Leo S. Tonkin
Founding Director
Washington Workshops Foundation
3222 N Street, N.W., Suite 340
Washington, D.C. 20007

## STATEMENT OF THE WASHINGTON WORKSHOPS FOUNDATION

April 30, 1990

### A. Background of Washington Workshops Foundation

Good afternoon, Mr. Chairman. I am Paul L. Perito, the Chairman of the Washington Workshops Foundation. I have had the honor of serving in that pro bono capacity for nearly 15 years. I am joined here today by Mr. Leo S. Tonkin, the Founding Director of the Foundation.

For nearly 25 years, the Washington Workshops Foundation (the "Workshops") has provided students and teachers of all ages with an understanding of Congressional and administrative affairs in Washington, D.C. We are a private nonprofit nonpartisan educational foundation. With your help, Mr. Chairman, and with the help of your Congressional colleagues, we have offered innovative on-site seminars and dialogue sessions between recognized national leaders and tens of thousands of American students, and many others from around the world. These first-hand lessons in American national government, which we helped pioneer, have inspired thousands of bright and energetic high school students, many of whom have gone on to seek and win election in state and local communities throughout this country. Several have returned to the seat of government in Washington and hold responsible positions within our civil service. Others, as a result of the Workshops experience, have become more informed citizens and more responsible constituents. It should be noted, Mr. Chairman, that it was the Workshops that first conceived the idea of bringing secondary students to Washington to learn how their government operates and serves the public. Other worthy organizations have followed this format, thereby broadening the number of students who have had this invaluable opportunity to learn within our nation's capital.

### B. Mildred and Claude Pepper Scholarship Act

The Workshops seek to increase the participation of our physically handicapped youngsters in its Washington programming, particularly those who are hearing impaired. For several years, we have sought to establish a specialized scholarship program for the hearing impaired in national government and international diplomacy. In this regard, the House and Senate have both unanimously authorized such a program in the name of the late Claude Pepper and his beloved wife, Mildred.[1/]

These Pepper Scholarships have been authorized by the House at a level which we recommend to be $500,000 per year for

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[1/] H.R. 2666 is a multi-year funding bill which provides for "such sums as may be necessary" in fiscal year 1991. In that regard, we are requesting $500,000 to be included in the FY 1991 Labor, HHS and Education appropriation bill for the Pepper Hearing Impaired Scholarship Program.

three years. The Senate has adopted related legislation authorizing $1 million per year in scholarship funds to be equally divided between the Workshops and the Close-Up Foundation. A Conference will be scheduled shortly to work out the differences in this authorization legislation. We trust this Subcommittee will accept the recommendation of both the House and Senate, and provide the Workshops with $500,000 in fiscal 1991 appropriations. This amount is the minimum required to fund a sufficiently ambitious national scholarship program that will reach out to all 50 states to bring hundreds of hearing impaired students into the nation's capital annually.

It is, perhaps, especially fitting that this program bears Senator Pepper's name. In the founding year of the Workshops--1968--Claude Pepper was the very first Member of Congress to address a student session of the Workshops. He went on to participate in our program in each successive year of his remarkable Congressional career. The founder of the Workshops, Leo Tonkin, often tells a story about how in the spring of 1968, when fires of rage burned across our Federal city, and our nation was torn by dissension and assassination, it was a difficult time to contemplate bringing yet another group of students to Washington. This was true even though their motive in coming was not to riot and demonstrate, but rather to study, learn and grow in the true crucible of a viable democratic form of government. Leo mentioned to

Chairman Pepper how dispirited he had become in proceeding with the student seminars in the face of so much turmoil and cataclysmic upheaval. Yet, it was the scarred and noble warrior, Claude Pepper, who encouraged him and us to continue. Chairman Pepper said it was more important than ever that students come to their seat of national government in a spirit of learning and peaceful participation. Claude Pepper added that if the buses could not get back and forth to Capitol Hill each day, he would personally call the District Building to see that they had motorcycle escorts. Such was Chairman Pepper's commitment to the Workshops then and through the ensuing 20+ years of his seminar participation.

Mr. Chairman, Claude Pepper wrote glowingly about this study program for the hearing impaired. His support for its creation is well remembered in correspondence and in conversation. Now, both the House and Senate have unanimously passed authorizing legislation supporting the establishment of this scholarship program. Upon completion of the Conference, and with the support of your Subcommittee, this program will provide a fitting tribute to the goals that Chairman Pepper held most dear; namely, to support the hearing impaired. Claude Pepper was most empathetic with that problem since it afflicted him during the later years of his remarkable life.

I can speak personally on this issue since I had the honor to be the first Chief Counsel of the House Select

Committee on Crime which Chairman Pepper headed in 1970. In that regard, I saw the Chairman struggling with hearing impairment and its deleterious impact. I saw him overcoming that problem only after a desperate struggle which parallels the struggle of many thousands of youngsters, both hearing impaired and physically handicapped. It is to these young teenagers that this program is dedicated. With your support, Mr. Chairman, and that of Mr. Conte and your colleagues on the Subcommittee, these teenagers will have an opportunity to participate, in a meaningful fashion, in the workings of our national government. On a parallel vein, this program will serve our nation in the years to come. It will create a cadre of responsible constituents and hopefully will entice some of these youngsters into national service. Finally, it will be cast in the memory of one who helped bring this concept of first-hand civic education into the fabric and lexicon of our Washington existence.

Thank you for this opportunity to address you and your colleagues.

Mr. NATCHER. Thank you. You have given us an excellent statement. Your entire statement will be placed in the record.

Gentlemen, we appreciate your appearance.

MONDAY, APRIL 30, 1990.

## STUDENT AID

### WITNESS

### JULIUS DAVIS, VICE PRESIDENT, UNITED STATES STUDENT ASSOCIATION, WASHINGTON, DC

Mr. NATCHER. Our next witness is Mr. Julius Davis. Come around, Mr. Davis. We will be pleased to hear from you at this time.

Mr. DAVIS. Thank you, Mr. Chairman, Members of the subcommittee.

My name is Julius Davis. I am Vice President of the United States Student Association. USSA is a membership organization representing the Nation and the Nation's college and university students. Our primary goals are to increase access to post-secondary education and to improve educational opportunities for all individuals.

I am very pleased to have this chance to explain the importance of the Federal student aid to my family and to present USSA's recommendations for student education funding.

When my parents divorced in the early 1970s, my mother suddenly found herself a single, unemployed mother with two children to support. She began working full-time nights (11:00 p.m. to 7:00 a.m.) as a hygienist at a State school for the mentally retarded, and she enrolled full-time as one of only 27 African-Americans attending Canisius College in Buffalo, New York.

It was incredibly difficult for my mother to attend college during the day, work nights, raise her children, and make ends meet, but four years later my mother graduated with a degree in special education.

She paid the majority of her college expenses out of her pocket, but without Federal grants and guaranteed student loans, there would have been no way that she would have been able to attend college.

Fifteen years later, my mother continues to make payments on her loans. Today, she is a teacher of severely mentally retarded children and the vice principal of an elementary school.

As loans have surpassed grants as the primary type of student aid available, low-income students have become increasingly dependent on loans for access to college. The enormous volume a student must borrow has become a disincentive to attending college for many people, and those who do decide to borrow find that the indebtedness has serious repercussions for their futures.

USSA urges this subcommittee to restore funding for Federal grants to their proper place as the predominate type of aid for disadvantaged students.

USSA recommends investing $7,800,000,000 to fund Pell Grants at the authorized maximum of $3,100 in fiscal year 1991. USSA recommends funding the campus-based grant programs at the following level: Supplemental Educational Opportunity Grants [SEOG] at $579,000,000. USSA recommends a $286,000,000 appropriation for new Federal capital for the Perkins loans.

In my neighborhood as I was growing up, college was not seen as the way to go about making a living. Selling drugs was. Not even 20 students out of my graduating class of 500 went on to college.

After graduating, I left home and worked full-time washing dishes at $3.40 an hour. After a while, I was promoted to cook and earned $3.70 an hour.

Luckily for me, my cousin encouraged me to enroll at the community college he attended, and he told me that financial aid was available. My cousin's guidance and reassurance helped me to attend college, but millions of people are not so fortunate to have such support. This is why TRIO programs are so important. USSA recommends funding the TRIO programs at $508,800,000.

USSA recommends funding the TRIO programs at $508,800,000 so that the number of TRIO students served can be doubled. The number of students served under TRIO has declined from 528,000 in 1980 to 425,000 (less than 10 percent of the eligible population) this year. USSA strongly encourages Congress to invest this amount, which will result in assistance for approximately 1,000,000 students to enroll and succeed in post-secondary education.

While attending Erie Community College full-time, I worked full-time nights doing stock work at a grocery store. I worked from 11:00 p.m. to 7:00 a.m., and then I would run to my 8:00 a.m. class. I also had a college work study job two afternoons a week from 12:00 noon to 3:00 p.m.

With my Pell Grant and State grants, college work study, and my full-time job, I attended Erie Community College for a year. My grades were good, but they would have been better if I didn't have to work so many hours. I remember envying students who lived in the dorms and whose parents paid for college. Still I willingly worked 46 hours each week in order to attend college. The experience showed me the importance of adequately funding college work study.

This year I am on leave from college, and I work full-time at USSA here in Washington, D.C.

I intend to complete my undergraduate degree and go on to graduate school so that I can become a professor. Unfortunately, by the time I complete my graduate studies I will be deeply in debt, as will my step-brother who is studying to be an electrical engineer and my sister, who is studying computer science.

USSA recommends that this subcommittee match the Administration's request of $6,100,000 to fund the Early Identification Program and $25,500,000 for Graduate Assistance in Areas of National Need.

People of color are grossly underrepresented at graduate schools. Enrollment of African-Americans in advanced degree programs peaked in academic year 1976–1977. Are you aware that a grand total of four African-Americans earned doctorate degrees in mathematics in 1987–1988?

If we fail to promote the participation of people of color in higher education at the graduate level, we will continue to have extremely small numbers of professors who are people of color.

My family has benefited greatly from Federal student aid, but millions of Americans remain disenfranchised. On behalf of the Nation's college and university students, I thank you for your efforts to secure the proper funding for student aid in past years, and I urge you to help meet the needs of the future by funding these programs at the levels I have recommended today for fiscal year 1991.

Thank you for the opportunity to share the views of students with you today. I will be happy to answer any questions.

[The statement of Mr. Davis follows:]

USSA "Organizing and Advocating for Students Across the Country"

United States Student Association / 1012 14th St., N.W. Suite 207 / Washington, D.C. 20005 / (202) 347-USSA

# TESTIMONY

PRESENTED BEFORE THE

SUBCOMMITTEE ON
LABOR, HEALTH AND HUMAN SERVICES, EDUCATION,
AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN

BY

JULIUS A. DAVIS,
VICE PRESIDENT

OF THE

UNITED STATES STUDENT ASSOCIATION

Monday, April 30, 1990
2:55 pm
Room 2358 Rayburn House Office Building

Subject: Student Financial Assistance and TRIO Funding

Mr. Chairman and members of the Subcommittee, I am Julius Davis, Vice President of the United States Student Association (USSA). USSA is a national membership organization representing students attending diverse colleges and universities around the country. Our primary goals are to increase access to postsecondary education and to improve educational opportunity for all individuals in our nation. I am very pleased to have the opportunity to share with you the importance of federal student aid to me and my family and to present USSA's recommendations for appropriations for student aid for fiscal year 1991.

## Federal Grants and Loans

*When my parents divorced in the early 1970s, my mother suddenly found herself a single, unemployed mother with two children to support. She began working full-time nights (11:00 p.m. - 7:00 a.m.) as a hygienist at a state school for the mentally retarded, and she enrolled full-time as one of only twenty-seven African-Americans attending Canisius College. It was incredibly difficult for my mother to attend college during the day, work nights, raise her children, and make ends meet, but four years later my mother graduated with a degree in Special Education. My mother paid the majority of her college expenses out of her pocket, but without federal grants and Guaranteed Student Loans (now called Stafford Loans), there would have been no way that she would have been able to attend college. Fifteen years later, my mother continues to make* *payments on her loan. Today, she is a teacher of severely mentally retarded children and the vice principal of an elementary school.*

As loans have surpassed grants as the primary type of student aid available, low income students have become increasingly dependent on loans for access to college. The enormous volume a student must borrow has become a disincentive to attending college for many people, and those who do decide to borrow find that the indebtedness has serious repercussions for future decisions regarding career, marriage, family and graduate school. USSA urges this Subcommittee to restore funding for federal grants to their proper place as the predominant type of aid for disadvantaged students.

## PELL GRANTS

Pell Grants are the cornerstone of the federal financial aid programs, providing about three million students with grant assistance. An estimated 75 percent of Pell Grant appropriations go to students with adjusted family incomes of $15,000/year or less. Over 32 percent of Pell funds assist those with family incomes of $5,000/year or less.

**USSA recommends investing $7.8 billion to fund Pell Grants at the authorized maximum of $3,100 in FY 91.** The purchasing power of the maximum Pell Grant has dropped 16 percent since 1980 in constant dollars. When my mother attended college, the maximum Pell Grant accounted for more than 40 percent of the average cost of attendance. Today the maximum Pell Grant accounts for approximately 26 percent. An increase to $3100 will bring the maximum Pell Grant to approximately 35 percent of the cost of attendance and help to restore the proper balance between grants and loans.

Appropriating $7.8 billion will allow the Pell Grant program to serve less-than-half-time-students without a reduction in aid to full- and half-time students, and will cover this year's funding shortfalls.

## CAMPUS-BASED GRANT PROGRAMS

USSA recommends funding the campus-based grant programs at the following levels: Supplemental Educational Opportunity Grants (SEOG) at $579 million, and State Student Incentive Grants (SSIG) at $120 million. These appropriations would restore funding to FY 80 levels, adjusting for inflation. SEOG and SSIG allow financial aid administrators the flexibility to assess individual need and to award relatively small amounts of aid to students needing additional financial assistance to enroll or remain in school. Unfortunately, from FY 80 to FY 90, when adjusting for inflation, we see that funding for SEOG declined 22 percent, and SSIG funding declined 51 percent. Unless funding is restored, we will continue to see a growing dependence upon loans rather than grants as the primary type of financial assistance for the nation's disadvantaged students.

PERKINS LOANS

USSA recommends a $286 million appropriation for new federal capital for the Perkins Loans. USSA supports the Perkins Loan program as a supplement to need-based grant programs and recommends the continuation of capital contributions into the program. Perkins Loans have the lowest interest and most manageable repayment of all the federal loan programs. Like the campus-based programs (SSIG, College Work Study, and SEOG), Perkins loans provide for flexibility on the part of the financial aid administrator to assess individual need and to deliver money to those students with exceptional need.

INCOME CONTINGENT LOANS

USSA opposes the Administration's proposed expansion of the Income Contingent Loan (ICL) pilot program. ICL was authorized as a five year, ten institution demonstration project, with a feasibility study to be completed by October of 1991. It is unwise to expand this pilot program before we have data regarding its effects. Because ICL interest lacks a fixed rate and accrues during the period of enrollment, borrowers with modest incomes will pay much more than those who immediately enter high-paying fields. For these reasons, USSA strongly opposes this program.

TRIO Programs

*In my neighborhood as I was growing up, college was not seen as the way to go about making a living. Selling drugs was. Not even twenty students out of my graduating class of 500 went on to college. After graduating, I left home and worked full-time washing dishes at $3.40 an hour. After a while, I was promoted to cook and earned $3.70 an hour. I then began working in construction.*

*I wanted to go to college. Whenever I watched football games on TV, I kept seeing commercials saying "Be all that you can be." So I tried to get into the military since I figured that was the only way to pay for school. The military rejected me for health reasons.*

*Luckily for me, my cousin encouraged me to enroll at the community college he attended, and he told me that financial aid was available. My cousin's guidance and reassurance helped me to attend college, but millions of people are not so fortunate to have such support. This is why TRIO programs are so important.*

**USSA recommends funding the TRIO Programs at $508.8 million.** TRIO Programs, Special Programs for Disadvantaged Students, are the most effective federally-funded retention programs. Serving low-income, first generation to attend college, and students with disabilities, TRIO programs reach disadvantaged high-school aged and adult students by providing the information, counselling, tutoring, and role models needed to get individuals interested in, prepared for, and able to apply to college and to remain in school. Students served by TRIO are twice as likely to complete the first year of college and four times as likely to earn a degree as are those who are not involved in TRIO.

USSA recommends funding the TRIO Programs at $508.8 million so that the number of TRIO students served can be doubled. The number of students served under TRIO has declined from 528,000 in 1980 to 425,000 (less than 10 percent of the eligible population) this year. USSA strongly encourages Congress to invest this amount, which will result in assistance for approximately 1 million students to enroll and succeed in postsecondary education.

## College Work Study

*While attending Erie Community College full-time, I worked full-time nights doing stock work at a grocery store. I worked from 11:00 p.m. to 7:00 a.m., and then I'd run to my 8:00 a.m. class. I also had a College Work Study job two afternoons a week from 12:00 noon to 3:00 p.m. With my Pell Grant and state grants, College Work Study, and my full-time job, I attended Erie Community College for a year. My grades were good, but they would have been better if I didn't have to work so many hours. I remember envying students who lived in the dorms and whose parents paid for college. Still, I willingly worked forty-six hours each week in order to attend college. The* *experience showed me the importance of adequately funding College Work Study.*

**USSA urges this Subcommittee to appropriate $861 million for College Work Study for FY 1991.** Since 1980, federal funding for College Work Study declined 30 percent in constant dollars. Especially in light of the newly enacted increase in the minimum wage, it is imperative that funding be increased to restore what has been lost over the past decade. **Increasing funding for College Work Study to $861 million will help enable students to work to defray costs and reduce the amount they must borrow.**

Graduate Assistance

*The following year I transferred to the State University of New York at Albany and attended part-time. Due to my stipend from working full-time at SASU, the Student Association of the State University of New York, I was not eligible for aid for my part-time studies. This year I am on leave from college, and I work full-time at USSA here in Washington, DC.*

*I intend to complete my undergraduate degree and go on to graduate school so that I can become a professor. Unfortunately, by the time I complete my graduate studies I will be deeply in debt, as will my step-brother who is studying to be an electrical engineer and my sister, who is studying computer science.*

USSA recommends that this Subcommittee match the Administration's request of $6.1 million to fund the Early Identification Program and $25.5 million for Graduate Assistance in Areas of National Need. The proposed increases are commendable, but USSA opposes the President's cuts of other graduate programs. USSA requests $22 million for Patricia Roberts Harris Fellowships for graduate and professional study, $4 million for the Harris Fellowships for Public Service, and $10 million for the Javits Fellowships.

People of color are grossly underrepresented at graduate schools. Enrollment of African-Americans in advanced degree programs peaked in academic year 1976-77. Are you aware that a grand total of four African-Americans earned doctorate degrees in mathematics in 1987-88? If we fail to promote the participation of people of color in higher education at the graduate level, we will continue to have extremely small numbers of professors who are people of color. It is imperative that federal funding for graduate programs be increased.

During the decade of the 1990's, a vast array of challenges faces the nation. Education is a key to meeting these challenges. By the year 2000, a majority of all jobs will require a postsecondary education, and one third of the nation's school-age children will be children of color. According to the U.S. Department of Education, in 1986, 56 percent of African-American postsecondary students received federal student aid, as did 41 percent of Latin-American students, 40 percent of Native American students, 33 percent of Asian-American students, and 32 percent of White students.

I was born the year before the enactment of the Higher Education Act, legislation which promised to remove barriers to postsecondary education. Over the past twenty-five years, the many student aid programs encompassed by the Higher Education Act have enabled millions of students to attend college. Unfortunately, over the past decade, even as it became increasingly evident that we needed to continue to remove barriers to postsecondary education, funding for federal grants and work study actually decreased when adjusted for inflation. The trend of underfunding student aid must be reversed now, before it's too late.

My family has benefited greatly from federal student aid, but millions of Americans remain disenfranchised. On behalf of the nation's college and university students, I thank you for your efforts to secure the proper funding for student aid in past years, and I urge you to help meet the needs of the future by funding these programs at the levels I have recommended today for FY 1991.

Thank you for the opportunity to share the views of students with you today. I will be happy to answer any questions.

Mr. NATCHER. Thank you. We appreciate your appearance before this committee. I want you to know further that this committee is a friend of education. We say to them, Mr. Davis, anyone that will listen to us, as far as education is concerned in the last nine years, $199,000,000,000 for Education, $2,300,000,000,000 Defense.

Our friend Carl Pursell, one of the best Members in the House and the other members of this subcommittee will tell you we don't know anybody that wants to impair the security of our country but I know a lot of people in this country believe when you take care of the health of your people and educate your children, you continue living in the strongest country in the world. That is the way we feel on this subcommittee, Mr. Davis. If in the year 1990 there is a peace dividend, it should go into education and health.

We appreciate your coming. Thank you very much.

Mr. DAVIS. Thank you.

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MONDAY, APRIL 30, 1990.

## FEDERAL IMPACT AID

### WITNESS

SYDNEY T. HICKEY, ASSOCIATE DIRECTOR OF GOVERNMENT RELATIONS, THE NATIONAL MILITARY FAMILY ASSOCIATION, INC., ALEXANDRIA, VA

Mr. NATCHER. Our next witness is Ms. Sydney Hickey. Ms. Hickey, we are glad to have you.

[Off record.]

Mr. NATCHER. On the record, we are glad to have you on the record.

Ms. HICKEY. Thank you, Mr. Natcher.

Mr. Chairman, the National Military Family Association appreciates this opportunity to express its views and ask that our written statement be made a part of the record.

Mr. Chairman, NMFA and the military families we represent are extremely grateful to you and this subcommittee for being the true champions of Impact Aid. Your untiring efforts on behalf of their children's education is deeply appreciated.

Military children place unique demands on schools because of their mobile lifestyle. Frequent moves from one area of the country or world to another often mean the student must change reading or math curriculum. Junior and senior high students create scheduling nightmares as counselors struggle to match the last school's requirements with the current school's requirements.

The children may be facing the absence of the military parent or adjusting to the parent's return. They always arrive having to recover from a move and adjust to a new environment.

Military families are also unique members of a community. They do not represent the entire life cycle of a community. These are young families with children in school. They are not grandparents. Therefore, their presence in a community means an increase in the school enrollment.

Those who live in the community are exempted from payment of most taxes with the exception of real estate taxes. The original intent of Impact Aid law was to provide communities with school funding to offset the loss caused by the presence of Federal properties. And military children, it is no longer doing that.

Military families are concerned about the escalating cuts in educational programs for their children and are distressed and embarrassed about the increasing tax burden they are placing on the shoulders of their civilian neighbors.

In this time of stringent budget, Impact Aid for military children is a good buy. Since military children are 50 percent more likely to be the military families of the future, adequate Impact Aid can provide a quality education for the military force of tomorrow and meet the needs of today's military parents for quality education for their children and the children of their civilian neighbors.

NMFA supports funding of Impact Aid at $835,000,000, full authorization.

Thank you for your extreme patience Thursday and again today.

[The statement of Ms. Hickey follows:]

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Statement of

SYDNEY T. HICKEY
Associate Director of Government Relations
The National Military Family Association, Inc.

on Impact Aid

before the

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION
of the
APPROPRIATIONS COMMITTEE
of the
HOUSE OF REPRESENTATIVES

April 30, 1990
3:00 PM

Not for Publication
Until Released by
the Committee

The National Military Family Association (NMFA) is a volunteer, non-profit organization composed of members of the seven uniformed services, active duty, retired, and reserve, and their family members and survivors. NMFA is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies which will improve the lives of those family members. NMFA appreciates this opportunity to express its views.

Mr. Chairman, NMFA and the military families we represent are extremely grateful to you and this Subcommittee for being the true champions of Impact Aid. Your untiring efforts on behalf of their children's education is deeply appreciated.

As of January 16, 1990, 565,308 military dependent children were being educated in public schools in the United States and its territories. Of these 220,609 were "a" students. An "a" student is one whose military parent both lives and works on a federal installation. An additional 344,701 were "b" students. A "b" student is one whose military parent either works or lives on a federal installation. These students place a unique burden on the school district in which they are educated. If their military parent both lives and works on a federal installation, that parent contributes essentially nothing to the local or state tax base. If military parents work on a federal installation and live in the community, they do contribute to the local tax base through real estate taxes. They do not contribute to the tax base through personal property taxes, sales taxes or state income taxes.

A substantial majority of military personnel are enlisted. An Army Staff Sergeant receives approximately $500-600 a month in housing allowance. A house payment or rental payment of this amount could not possibly produce a real estate tax of significant proportion.

Military children place unique demands on schools because of their mobile lifestyle. Frequent moves from one area of the country or world to another often mean the student must change reading or math curriculum. Junior and Senior High students create scheduling nightmares as counselors struggle to match the last school's requirements with the current school's requirements. The children may be facing the absence of the military parent or adjusting to the parent's return. They always arrive having to recover from a move and adjust to a new environment.

Military families are unique members of a community. They do not represent the entire life cycle as do other residents of a community. These are young families with children in school. They are not grandparents. Therefore, their presence in a community means an increase in the school enrollment.

In September of 1950 Congress passed PL 81-874 to provide assistance to local school districts educating military children. Congress recognized the unique financial burden these students placed on local education agencies. For twenty years Congress fully funded the Authorization for these schools. Since 1970, despite strong support from the Appropriating Committees, funding has fallen short of Authorization. For over ten years the Administration's Budget requests have consistently ignored the financial impact of "b" students. The Congress has yearly added funding for these "b" students.

The FY 91 Budget request continues to ignore the military "b" student and doesn't reflect the acknowledged 7% education inflation rate for "a" students. The Impact Aid Authorization for FY 91 is $835,000,000. The Administration's Budget request is for $618,854,000.

Calls of concern from NMFA Representatives stationed at military installations around the country about shortfalls in Impact Aid funding have escalated this year. Military families are becoming more politically active, as evidenced by their voting pattern. They are also becoming aware that financial problems at their local schools are not the fault of that school or of the school district. Department of Defense studies show that military families will go to extreme lengths to secure quality education for their children. Military members endure extensive commutes and families absorb exhorbitant housing costs in order to be near good schools. Despite these sacrifices, military families are finding quality education for their children more and more difficult to obtain. They also know that the problems caused by insufficient funding affect the quality of education received by the children of the civilian residents of their community. These same residents are having to pay ever increasing taxes just to keep the doors of the schools open!

The upcoming base closures and realignments as well as the anticipated draw down of the military force will place added burdens on some local school districts. The funding mechanisms in the current Impact Aid law will result in extremely low payments under Section 3 (e). School Districts with a sudden decline in military student enrollment will not be able to meet the payroll even if Section 3 (e) is funded. Schools that have a surge in enrollments will not be able to financially absorb these students because of similar provisions.

NMFA remains concerned about the shortfall in construction and repair in school districts eligible for 815 funding. As the dollars for the Defense budget shrink, so will the ability of the military services to fund projects like the construction of a middle shool for the Douglas School District in South Dakota.

In summary, we note that the military impacted schools are educating the military force of the future. Children of military members are 50% more likely to become military family members than are their civilian peers. The force of the future will be smaller in number and its members will need to be even more flexible and able to carry out more varied missions than those in uniform today. That force must be well educated! Is it fair to expect the residents of the community outside the gates of military installations to pay for this education with ever rising taxes? Who is going to pay when those residents are unable to do so? Should the quality of the education received by children of these residents also suffer?

**NMFA REQUESTS FUNDING OF PL 81-874 AT THE FULL AUTHORIZATION OF $835 MILLION.**

**NMFA SUPPORTS THE BUDGET REQUEST FOR PL 81-815.**

Mr. **Natcher**. Thank you very much. We appreciate your appearance. You have given us an excellent statement.

Mr. **Pursell**. Do all military family—when students enroll in that local school and they are moved into any military base, do they automatically qualify for State aid in that State once they are enrolled in that school?

Ms. **Hickey**. No, sir.

Mr. **Pursell**. Not for Impact Aid, the State aid. There is no difference between a military student and a civilian student in state aid?

Ms. **Hickey**. No, none whatsoever. The state pays, the local community pays and sometimes Impact Aid pays. But they can become a tremendous burden in school districts where they use $5,000, $3,000 to $5,000 to educate a military child——

Mr. **Pursell**. Why would they be a burden different from a civilian student if they are both getting state aid?

Ms. **Hickey**. Because they are not paying their fair share of a local tax. If a child is living on base, there is no State tax paid by——

Mr. **Pursell**. I understand that. But they qualify for State money, which is paid by taxpayers.

Ms. **Hickey**. The taxpayers of the State, but not the military parent.

Mr. **Pursell**. Could come from sales tax or other. They pay property tax. If they live off the base, they are paying rent; right?

Ms. **Hickey**. Yes, sir. The funding for Federal, the Federal funding for state education has gone down. I think you will find that the states have been very innovative in raising funds for that education. They are not as dependent now on the property taxes as they have been in the past, and they are using personal property taxes, intangible taxes, all that sort of stuff, which military people are exempt from.

Mr. **Pursell**. Okay. Thank you.

Ms. **Hickey**. Thank you, sir.

Mr. **Natcher**. Thank you.

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MONDAY, APRIL 30, 1990.

## CHAPTER 1

### WITNESS

**SR. LOURDES SHEEHAN, RSM, SECRETARY FOR EDUCATION, UNITED STATES CATHOLIC CONFERENCE**

**RICHARD DUFFY, COORDINATOR FOR FEDERAL ASSISTANCE, UNITED STATES CATHOLIC CONFERENCE**

**THOMAS VITULLO-MARTIN, PH.D., EXECUTIVE DIRECTOR, METROCONOMY, INC.**

Mr. **Natcher**. Our next witness is Sr. Sheehan. We will be pleased to hear from you at this time.

Sr. **Sheehan**. Thank you, Mr. Chairman, and members of the subcommittee.

I am Sr. Lourdes Sheehan, Secretary for Education of the United States Catholic Conference. I am accompanied by Mr. Richard

Duffy, the Conference's Coordinator of Federal Assistance and Dr. Thomas Vitullo-Martin, Executive Director of Metroconomy, Inc., who has analyzed for us the impact of the Aguilar changes on the Chapter 1 program and assisted in the preparation of this statement.

May I request that our written testimony and our oral remarks become part of the record.

We speak today for the 2,600,000 children who attend more than 9,000 elementary and secondary Catholic schools, and for the millions of parents and others who support them. However, the problems of the Chapter 1 program affect all private school students, whatever the affiliation of their school.

We thank you for providing us the opportunity to present our case on the need for a fiscal year 1991 appropriation of $40,000,000 for capital expenses necessary to restore Chapter 1 services to private school children who have been deprived of them as a result of the Aguilar ruling, as authorized by section 1017(d) of Public Law 100-297.

In this act, Congress recognized that justice demanded these services be restored to the students who lost them, and authorized appropriations of $30,000,000 in fiscal year 1988, $40,000,000 in fiscal year 1989, and such sums as may be necessary in fiscal year 1990 through 1993.

This subcommittee has led the way in allocating funding of these authorizations, and we wish to acknowledge and express our gratitude for your efforts. We especially wish to thank Chairman William Natcher and Congressman Silvio Conte for their leadership on this issue.

In each of the six program years since the Aguilar decision, 60,000 to 80,000 private school students did not receive their Chapter 1 services because the LEA could not obtain suitable off-site facilities. Each year private school students have lost about $50,000,000 in services, a total of about $300,000,000 lost since the Aguilar decision forced services off-site. The appropriation request of $40,000,000 for the restoration of these services is less than the value of services lost in any one of the past six years.

The Department of Education's annual state-by-state tabulation of Chapter 1 private school students shows some recovery since Aguilar. The department figures for 1987-1988, the latest available, suggest the number of students losing services has been reduced to 40,000 from over 60,000 in 1984-1985.

Last fall the GAO, projecting from the department's data, suggested even more optimistically that the states were on their way to full recovery. By looking at the increase in the numbers of private school students being served, these agencies find progress. But the key figure is the number of students who have lost services, and that number has not changed appreciably. So the total number of private school students receiving services has increased by 15,000 students since the low-point of 1985-1986, but the total number who have lost services remains about the same as then.

How has this happened? The explanation is that the Chapter 1 program is larger today, and enrolls more students than it did in 1984-1985.

Between 1984-1985 and 1987-1988, the number of public school students receiving Chapter 1 services has increased by 14.6 percent. Private school participation should also have increased in that period, particularly because the concentration grants funds focused the program's attention on the areas where private schools are more concentrated. Instead, of course, the private school enrollment fell by at least 26 percent.

In 1984-1985, private school students equaled 4.3 percent of the public school student enrollment in Chapter 1. Using this ratio, there should have been 206,745 private school students receiving Chapter 1 services by 1987-1988. But without any adjustment in the ratio, about 31 percent, or almost 65,000, private school Chapter 1 students were not served in the 1987-1988, the most recent year for which information is complete.

We surveyed our schools to define their experience with off-site services. We found that LEAs were generally adopting one of four approaches for delivering Chapter 1 services: They asked the students to walk to a nearby public school or neutral site; they bussed students to more distant Chapter 1 centers; or they used a van or mobile classroom to bring the teacher to the students, parking on a site close to the private school; some are experimenting with computer-based instruction at the private school.

In 1986-1987, about 29 percent of the private school students were reached in vans or mobile units; about 53 percent walked or were transported to public schools or neutral sites; and about 17 percent used computers. By 1987-1988, the proportion walking and transported had dropped, the proportion using vans and computers had increased. We expect this trend to continue.

This is the need for capital funds. The cost of restoring services varies according to the number of students and the manner in which the services are restored—by van or mobile classroom, transportation to an off-site facility or computer.

We believe that off-site facilities for 60,000 students not now served must be obtained. In addition, we believe that at least 30,000 additional students are in programs that are not cost-effective educationally, and must be redesigned, or the students will be forced to withdraw from Chapter 1.

The cost of restoring services to 60,000 students not now served was about $60,000,000. The cost of upgrading Chapter 1 services for 30,000 students that are now inadequate because of difficulties imposed by the off-site facilities would be another $30,000,000. The extra cost of maintaining off-site services to 150,000 students could be as much as $75,000,000 per year.

Finally, the districts have spent at least $60,000,000 to provide off-site services for those now receiving them, and under the Capital Funds provisions they are permitted to recover these costs. Altogether then, the costs of solving Aguilar in the first year will be about $150,000,000, plus carrying costs of $75,000,000 to $100,000,000 in succeeding years.

To date, Congress has appropriated $45,500,000 to restore services. Approximately $105,000,000 more is needed immediately. We urge the subcommittee to recommend full funding of the authorized amounts.

We wish to alert the subcommittee to two problems with the Capital Funds provision as they are now being implemented. We have made a preliminary review of how the funds are being distributed, and how they are being used by LEAs. We find, first, that the allocation amounts are not sufficient to solve the problem of providing off-site facilities in small districts, particularly those in rural areas. These small rural schools, often serving the most distressed student populations, have lost the greatest proportion of services because of the Aguilar changes. But they will not be given sufficient capital funds to obtain any usable facility as those funds are now being distributed.

Second, we find that a significant number of districts—perhaps 50 percent or more, though it is too early to say with accuracy—are using the capital funds to reimburse past expenditures. While this is certainly contemplated under the authorization, we believe the first priority for the use of these funds, in the name of justice, should be to restore services to those students deprived of them, before the money is used for reimbursement.

Finally, we note that the problem of serving the needs of students in rural areas can be solved immediately, and with no increase in per pupil cost, if the current appropriations for these students—appropriations which at this time provide no services for them—were made available in such a way that students or their families could obtain private testing and remedial instruction.

In conclusion, we urge the committee to provide for a fiscal year 1991 appropriation of $40,000,000 for capital expenditures to continue the process to restore Chapter 1 services to eligible private school students.

This concludes my oral statement, and we will be more than happy to answer any questions that you may have.

[The statement of Sr. Sheehan follows:]

The United States Catholic Conference

Testimony in Support of
The FY 1991 Appropriation for Capital Expenses
in the Chapter 1 Program, P.L. 100-297

Witnesses appearing before the
House Appropriations Subcommittee
on Labor, Health and Human Services,
Education and Related Agencies

Sr. Lourdes Sheehan, RSM,
Secretary for Education

accompanied by

Richard Duffy,
Coordinator For Federal Assistance, USCC

Thomas Vitullo-Martin, Ph.D.,
Executive Director, Metroconomy, Inc

Monday, April 30, 1990, at 3:05 PM

**Mr. Chairman, Members of the Subcommittee:**

I am **Sr. Lourdes Sheehan**, Secretary for Education of the United States Catholic Conference. I am accompanied by **Mr. Richard Duffy**, USCC's Coordinator of Federal Assistance, and **Dr. Thomas Vitullo-Martin**, Executive Director of Metroconomy, Inc., who has analyzed for us the impact of the Aguilar changes on the Chapter 1 program, and has assisted in the preparation of this statement.

We speak today for the 2.6 million children who attend more than 9,000 elementary and secondary Catholic schools, and for the millions of parents and others who support them. However, the problems of the Chapter 1 program affect all private school students, whatever the affiliation of their school.

We thank you for providing us the opportunity to present our case on the need for a FY 1991 appropriation of $40 million for Capital Expenses necessary to restore Chapter 1 services to private school children who have been deprived of them as a result of the Aguilar ruling, as authorized by Section 1017 (d) of P.L. 100-297, the *Augustus F. Hawkins–Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988.* In that act, Congress recognized that justice demanded these services be restored to the students who lost them, and authorized appropriations of $30 million in FY 1988, $40 million in FY 1989, and such sums as may be necessary in FY 1990 through 1993.

This Subcommittee has lead the way in allocating funding of these authorizations, and we wish to acknowledge and express our gratitude for your efforts. We especially wish to thank Chairman William Natcher and Congressman Silvio Conte for their leadership on this issue. Your determination that these educationally disadvantaged students will receive all the help that Congress intended is a message to them that our government cares about their future.

In our statement, we will briefly review the history of the Aguilar problem and the steps Congress has taken to correct it; present evidence that the problem is becoming worse in the majority of states and the reasons for this development, and reexamine our estimates of the cost of restoring these services to the students who should be receiving them in the light of the first year of expenditures. Finally, we will discuss why certain students have not and will not benefit from the current restoration efforts, and why the rate of participation in the program is continuing to decline in some communities.

### Aguilar and Its Aftermath

Before the Supreme Court's *Aguilar v. Felton* ruling, in July 1985, more than 90 percent of all Chapter 1 private school students received services from public school teachers who used a contributed classroom in the private school.[1] The department does not have precise data on the numbers of students actually served before Aguilar, but the likely range is between 200,000 and 300,000 students.[2] The Department has settled on 184,532 as a benchmark for the number of participants in 1984-85, the year before the Aguilar impact was felt. The number is certainly low, and therefore the fall-off in student participation it measures is understated.

Before Aguilar, Chapter 1 used approximately 9,000 classrooms on private school sites and another 1,000 classrooms that were off-site, most often at an adjacent public school with extra classroom space. Aguilar forced the LEAs to replace the approximately 9,000 classrooms with off-site facilities. Most could not in the first year after the decision became effective in their district.

In each of the six program years since the Aguilar decision, 60,000 to 80,000 private school students did not receive their Chapter 1 services because the LEA could not obtain suitable off-site facilities. Each year private school students have lost about $50 million in services, a total of about $300 million lost since the Aguilar decision forced services off-site. The appropriation request of $40 million for the restoration of these services is less than the value of services lost in any one of the past six years.

### Has There Been any Recovery?

The Department of Education's annual state-by-state tabulation of Chapter 1 private school students shows some recovery since Aguilar, even before any federal Capital Funds have been expended. (The 1989-90 school year is the first in which districts had the chance of receiving these federal funds.) The Department figures for 1987-88, the latest available, suggest the number of students losing services has been reduced to 40,000 from over 60,000 in 1984-85. Last fall the GAO, projecting from the department's data, suggested even more optimistically that the states were on their way to full recovery.[3] By looking at the increase in the numbers of private school students being served, these agencies find progress. But the key figure is the number of students who have lost services, and that number has not changed appreciably. So the total number of private school students receiving services has increased by 15,000 students since the low-point of 1985-86, but the total number who have lost services remains about the same as then.

How can this happen? The explanation is that the Chapter 1 program is larger today, and enrolls more students, than it did in 1984-85. Therefore the expected private school enrollment must be adjusted. If the Chapter 1 program had been cut in half instead of expanded, no one would think that the same number of private school students would be served after the cut as before. Similarly, as the program is expanded, the number of private school students who should receive services would also expand. A full recovery from Aguilar would mean reaching the expanded number, not the number served in 1985 when the program was significantly smaller.

Between 1984-85 and 1987-88, the number of public school students receiving Chapter 1 services has increased by 14.6 percent, from 4.3 million to 4.9 million students. Private school participation should also have increased in that period, particularly because the Concentration Grants funds focused the program's attention on the areas where private schools are more concentrated. Instead, of course, the private school enrollment fell by at least 26 percent. Given the program's growth, how many private school students would have been served today, were it not for Aguilar?

In 1984-85, private school students equalled 4.3 percent of the public school student enrollment in Chapter 1. Using this ratio, there should have been 206,745 private school students receiving Chapter 1 services by 1987-88. In reality, the ratio should have increased, because the program's expansion developed particularly from the Concentration Grants, which focused on the areas which included greater numbers of private schools. But without any adjustment in the ratio, about 31 percent, or almost 65,000, private school Chapter 1 students were not served in the 1987-88, the most recent year for which information is complete.

*Table 1. Chapter 1 Private School Student Enrollment Goals After Aguilar, Adjusted for Program* Growth, 1984 through 1991

| **Year** | **Number of Public Students** | **Number of Private Students** | **Ratio** (4.3%) | **Adjusted Enrollment Goal** | **Number of Private Students Losing Services** |
|---|---|---|---|---|---|
| 1984-85 | 4,316,450 | 184,532 | 4.3% | 184,532 | 0 |
| 1985-86 | 4,397,026 | 127,922 | 2.9% | 189,072 | (61,150) |
| 1986-87 | 4,594,761 | 137,900 | 3.% | 197,575 | (59,675) |
| 1987-88 | 4,808,030 | 142,492 | 3.% | 206,745 | (64,253) |
| 1988-89 | 4,943,763 | NA | NA | 212,581 | |
| 1991-92 | 6,200,000 (proposed) | | | 267,000 | |

Even this sobering view of what is happening is too optimistic. From their lowest point after guilar (1985-86), the states have been able to return Chapter 1 services to only 14,570 additional students throughout the nation. The fact is that 80 percent of this increase is accounted for by Puerto Rico alone, which reaches 250 percent more students today than it did before Aguilar.

Puerto Rico presents an important lesson about what is possible, and we will return to it in the following section. But here we note that only ten states have followed its lead and serve more students today than before Aguilar. Some of these states had not been serving private school students adequately before Aguilar, but have since improved. In one or more cases, the "improvement" appears to result from reporting errors. If we remove Puerto Rico from the count, the ten other states taken together have added only 2,825 students to their pre-Aguilar totals. If we adjust the enrollment goals of these states by their share of the overall growth of the Chapter 1 program, about half would fall behind.

As of 1987-88, the 41 other states and the District of Columbia lost an average of 40 percent of their private school Chapter 1 enrollments. In 1987, 29 of these states reached fewer private school students than in 1986. The reports are incomplete for 1988, but 19 of 34 reporting states served fewer students than in 1987. For a significant portion of the states, the problem is becoming worse. Again, if we adjust for the program's growth, almost all the 41 states would be falling further behind.

In sum, the problem is with us, and will not go away without further intervention.

### Why the Slippage?

We surveyed our schools to define their experience with off-site services. We found that LEAs were generally adopting one of four approaches for delivering Chapter 1 services:

- They asked the students to walk to a nearby public school or neutral site.
- They bussed students to more distant Chapter 1 centers.
- Or they used a van or mobile classroom to bring the teacher to the students, parking on a site close to the private school.
- Some are experimenting with computer-based instruction at the private school.

In 1986-87, about 29 percent of the private school students were reached in vans or mobile units; about 53 percent walked or were transported to public schools or neutral sites; and about 17 percent used computers. By 1987-88, the proportion walking and transported had dropped, the proportion using vans and computers had increased. We expect this trend to continue. Walking and being transported to nearby sites were particularly problematic. Walking, especially, raised safety problems, particularly for the kindergarten, first and second grade children who are the focus of the program in the elementary schools. Travel was especially difficult in bad weather and ate up valuable instruction time. In our survey, we found the average student being bused to a neutral site spent 52 minutes of class time per week commuting, and received only 100 minutes of Chapter 1 instruction. If LEAs brought the teacher to the school in a van or mobile unit, commutation time was only 21 minutes per week. Where classes remained inside the private school–as for example computer instruction–it took only 10 minutes per week to move to the Chapter 1 room. Furthermore, the more time the students were required to spend in travel, the less time they spent with the Chapter 1 teacher each week.

To put the matter simply, the farther the Chapter 1 services were placed from the private school, the more time was lost in transit and the less time provided in Chapter 1 services. Programs in which students had to walk or be transported to public schools for their classrooms typically consumed twice as much time in commuting as did vans that came to the private schools' door. Computer-assisted instruction, which could take place on the premises of the private school, consumed the least travel time and provided the most instructional contact time. As a practical matter, fifteen to twenty minutes commuting time appears to be a practical limit: parents and school administrators consider programs that consume more than that time going to and from the Chapter 1 site to deprive the student of more educational instruction than they provide. Thus private school students have been forced out of such programs, and the levels of participation for the state decline.

In 1986-87, about 100,000 private school students were served off-site, and about 60,000 of those were commuting to public schools or neutral sites. About 30,000 of these students walked and the other 30,000 were transported to a neutral or public school site. Because of the high educational costs and reduced instructional time associated with this mode, we expect only the most convenient off-site locations of this type to survive. Assuming that half survive, a different mode of service delivery will have to be found for about 30,000 of these students.

### The Need for Capital Funds

The cost of restoring services varies according to the number of students and the manner in which the services are restored–by van or mobile classroom, transportation to an off-site facility, or computer. But it is now clear that there is also a very wide variation in cost even within a given mode of restoring services. For example, both New York City and Puerto Rico have chosen to use mobile vans to provide some of their restored services. New York designed large vans meeting the city's safety codes that cost approximately $100,000 each per year to operate, exclusive of the teacher. Thus the program costs per pupil are much higher than before Aguilar. Puerto Rico also chose vans, but it contracted out the operation of the vans and the teaching services to a private vendor who has been able to provide superior services with such efficiency that large numbers of private school students who were not previously served have joined the program, while the cost per student has actually declined because of higher efficiency. Nevertheless, despite these variations, we will hazard estimates of the capital costs involved in restoring services and the carrying costs of those new capital facilities that will require continuing appropriations.

We believe that off-site facilities for 60,000 students not now served must be obtained. In addition, we believe that at least 30,000 additional students are in programs that are not cost-effective educationally, and must be redesigned, or the students will be forced to withdraw from Chapter 1. Thus 90,000 classroom seats must be found. Assuming that the average classroom can accommodate twenty Chapter 1 students at a site, approximately 4,500 new classrooms must be obtained.

In our testimony before this subcommittee last year, we provided a detailed estimate of the capital and maintenance costs of various modes of delivering Chapter 1 services. Rather than repeat that analysis here, we would refer the committee to it. We found that, in the end, the costs of different approaches to providing these services were surprisingly equivalent, Puerto Rico excepted. Whatever the approach, the initial capital cost seemed to average about $1,000 per pupil, and the continuing maintenance and replacement (depreciation) costs in succeeding years was about half that. Thus the cost of restoring services to 60,000 students not now served was about $60 million. The cost of upgrading Chapter 1 services for 30,000 students that are now inadequate because of difficulties imposed by the offsite facilities would be another $30 million. The extra cost of maintaining off-site services to 150,000 students could be as much as $75 million per year. Finally, districts have spent at least $60 million to provide off-site services for those now receiving them, and under the Capital Funds provisions they are permitted to recover these costs. Altogether then, the costs of solving Aguilar in the first year will be about $150 million, plus carrying costs of $75-$100 million in succeeding years.

If the Chapter 1 program expands according to the Department of Education's projections, the services will need to be delivered to an additional 60,000 to 100,000 private school students by 1991-92, and will require another $60 million in Capital Funds.

To date, Congress has appropriated $45.5 million to restore services. Approximately $105 million more is needed immediately. We urge the subcommittee to recommend full funding of the authorized amounts.

### Additional Problems

We wish to alert the subcommittee to two problems with the Capital Funds provisions as they are now being implemented. We have made a preliminary review of how the funds are being distributed, and how they are being used by LEAs. We find, first, that the allocation amounts are not sufficient to solve the problem of providing off-site facilities in small districts, particularly those in rural areas. These small rural schools, often serving the most distressed student populations, have lost the greatest proportion of services because of the Aguilar changes. But they will not be given sufficient capital funds to obtain any usable facility as those funds are now being distributed.

Second, we find that a significant number of districts–perhaps 50 percent or more, though it is too early to say with accuracy–are using the capital funds to reimburse past expenditures. While this is certainly contemplated under the authorization, we believe the first priority for the use of these funds, in the name of justice, should be to restore services to those students deprived of them, before the money is used for reimbursement.

Finally, we note that the problem of serving the needs of students in rural areas can be solved immediately, and with no increase in per pupil costs, if the current appropriations for these students–appropriations which at this time provide no services for them–were made available in such a way that students or their families could obtain private testing and remedial instruction.

[1] Department of Education, Richard K. Jung,"Changes in Participation in Chapter 1 for Public and Non-public School Students, 1979-87," unpublished tabulations; also Jung, "The Aftermath of Felton: A National Perspective," a research report to the American Education Research Association (Washington, D.C., April 1987). These two documents drew upon the Department of Education's Fast Response Survey System.

[2] The Department's Chapter 1 program office obtains its information about the number of private school students served from the SEAs. However, the SEAs use a variety of ways to obtain the information. Some use a random sample of school districts. Some use a less than scientific sample. Many simply total all the reports from all the districts in the state. The totals from the samples vary dramatically from year to year for all the predictable reasons. And states that add up all the reports also find that they are missing reports from a few districts each year, which again causes their totals to fluctuate from year to year. An additional factor is the complexity of the Chapter 1 program, which distinguishes eligible students from those the LEA plans to serve, and the difference between those the LEA intends to reach and those who, by the following spring, could be said to have actually received the services. Many students for whom services are planned never actually receive the services because they move or because the program fails to get off the ground. In the aftermath of Aguilar, many LEAs planned to serve private school facilities in off-site locations that could not be remodeled in time, or in mobile vans which failed to be delivered before the end of the school year. Some LEAs counted these students as "participants served" and some did not.

Both the Program Office and OERI's surveys were of SEAs or LEAs. Since the SEA reports were built on the LEA information, these surveys produced more or less similar results. The Center for Educational Statistics attempted a direct survey of the private schools, and USCC took the same approach in its survey. CES estimated 330,000 private school students for the 1984-85 school year, and we estimated a similar number in our survey. However, this approach is handicapped by the fact that private school principals, who answer the survey quesstions, had little direct contact with the Chapter 1 program and often confused it with other public support programs. So these numbers were regarded as high.

[3] GAO,*Compensatory Education/Aguilar v. Felton Decision's Continuing Impact on Chapter 1 Program,* GAO/HRD-89-131BR, Figure 13, page 29; Table III.1, page 43.

## Appendix A

## Table 2. Chapter 1 Participation After Aguilar By State and Control of School, 1984/85 to 1987/88

| State | A<br>Year | B<br>Total PS Students Served[1] | C<br>Total NPS Students Served[1] | D<br>Change from 1984/5<br>% | <br><br>No. |
|---|---|---|---|---|---|
| Nation | 1984/5 | 4,315,450 | 184,532 | -- | -- |
| | 1985/6 | 4,397,026 | 127,922 | -31% | -56,610 |
| | 1986/7 | 4,594,761 | 137,900 | -32% | -59,698 |
| | 1987/8 | 4,808,030 | 142,492 | -21% | -42,040 |
| | 1988/9 | 4,943,763 | -- | -- | -- |
| Alabama | 1984/5 | 115,107 | 780 | -- | -- |
| | 1985/6 | 117,556 | 99 | -87% | -681 |
| | 1986/7 | -- | 125 | -84% | -665 |
| | 1987/8 | -- | 966 | +124% | +186 |
| | 1988/9 | -- | 602 | -- | -- |
| Alaska | 1984/5 | 4,103 | 114 | -- | -- |
| | 1985/6 | 4,212 | 89 | -22% | -25 |
| | 1986/7 | -- | 273 | +239% | +159 |
| | 1987/8 | -- | 226 | +198% | +112 |
| | 1988/9 | -- | 32 | -- | -- |
| Arizona[2] | 1984/5 | 44,425 | 1,039 | -- | -- |
| | 1985/6 | 62,283 | 543 | -48% | -496 |
| | 1986/7 | -- | 400 | -62% | -639 |
| | 1987/8 | -- | 773 | -26% | -266 |
| | 1988/9 | -- | -- | -- | |
| Arkansas | 1984/5 | 66,265 | 573 | -- | -- |
| | 1985/6 | 65,653 | 75 | -87% | -498 |
| | 1986/7 | -- | 352 | -39% | -221 |
| | 1987/8 | -- | 367 | -36% | -206 |
| | 1988/9 | -- | 593 | -- | -- |
| California[3] | 1984/5 | 425,120 | 20,606 | -- | -- |
| | 1985/6 | 432,255 | 11,844 | -43% | -8,762 |
| | 1986/7 | -- | 16,126 | -22% | -4,480 |
| | 1987/8 | -- | -- | -- | -- |
| | 1988/9 | -- | 17,877 | -- | -- |
| Colorado | 1984/5 | 37,513 | 662 | -- | -- |
| | 1985/6 | 38,742 | 354 | -47% | -308 |
| | 1986/7 | -- | 800 | +21% | +138 |
| | 1987/8 | -- | 276 | -60% | -395 |
| | 1988/9 | -- | 313 | -- | -- |
| Connecticut | 1984/5 | 52,511 | 3,135 | -- | -- |
| | 1985/6 | 51,593 | 2,297 | -27% | -838 |
| | 1986/7 | -- | 3,421 | +9% | +286 |
| | 1987/8 | -- | 2,062 | -34% | -1,073 |
| | 1988/9 | -- | 2,238 | -- | -- |
| Delaware | 1984/5 | 9,880 | 588 | -- | -- |
| | 1985/6 | 9,143 | 524 | -11% | -64 |
| | 1986/7 | -- | 507 | -14% | -81 |
| | 1987/8 | -- | 540 | -8% | -48 |
| | 1988/9 | -- | -- | -- | -- |

| | | | | | |
|---|---|---|---|---|---|
| District of Columbia | 1984/5 | 15,243 | 565 | -- | -- |
| | 1985/6 | 15,776 | 437 | -23% | -128 |
| | 1986/7 | -- | 440 | -22% | -125 |
| | 1987/8 | -- | 540 | -3% | -15 |
| | 1988/9 | -- | -- | -- | -- |
| Florida[4] | 1984/5 | 153,881 | 2,995 | -- | -- |
| | 1985/6 | 149,889 | 1,710 | -43% | -1,285 |
| | 1986/7 | -- | 2,714 | -9% | -281 |
| | 1987/8 | -- | 2,404 | -20% | -591 |
| | 1988/9 | -- | 2,491 | -- | -- |
| Georgia[5] | 1984/5 | 169,311 | 1,083 | -- | -- |
| | 1985/6 | 122,250 | 354 | -63% | -729 |
| | 1986/7 | -- | 493 | -55% | -590 |
| | 1987/8 | -- | 356 | -67% | -727 |
| | 1988/9 | -- | 434 | -- | -- |
| Hawaii | 1984/5 | 12,080 | 198 | -- | -- |
| | 1985/6 | 14,110 | 48 | -76% | -150 |
| | 1986/7 | -- | 68 | -66% | -130 |
| | 1987/8 | -- | 85 | -57% | -113 |
| | 1988/9 | -- | 109 | -- | -- |
| Idaho | 1984/5 | 15,604 | 163 | -- | -- |
| | 1985/6 | 16,747 | 82 | -50% | -81 |
| | 1986/7 | -- | 118 | -28% | -45 |
| | 1987/8 | -- | 105 | -36% | -58 |
| | 1988/9 | -- | 388 | -- | -- |
| Illinois[6] | 1984/5 | 142,064 | 6,809 | -- | -- |
| | 1985/6 | 156,167 | 6,448 | -5% | -361 |
| | 1986/7 | -- | 6,195 | -9% | -614 |
| | 1987/8 | -- | 5,596 | -18% | -1,213 |
| | 1988/9 | -- | 6,598 | -- | -- |
| Indiana | 1984/5 | 96,726 | 3,659 | -- | -- |
| | 1985/6 | 105,491 | 1,502 | -59% | -2,157 |
| | 1986/7 | -- | 2,144 | -41% | -1,515 |
| | 1987/8 | -- | 2,100 | -43% | -1,559 |
| | 1988/9 | -- | 2,106 | -- | -- |
| Iowa | 1984/5 | 23,984 | 2,303 | -- | -- |
| | 1985/6 | 23,516 | 1,944 | -16% | -359 |
| | 1986/7 | -- | 2,364 | +3% | +61 |
| | 1987/8 | -- | 2,384 | +1% | +24 |
| | 1988 | -- | 2,259 | -- | -- |
| Kansas | 1984/5 | 37,290 | 1,303 | -- | -- |
| | 1985/6 | 34,920 | 586 | -55% | -717 |
| | 1986/7 | -- | 762 | -42% | -541 |
| | 1987/8 | -- | 784 | -40% | -519 |
| | 1988/9 | -- | 703 | -- | -- |
| Kentucky | 1984/5 | 101,204 | 3,036 | -- | -- |
| | 1985/6 | 99,166 | 2,326 | -23% | -710 |
| | 1986/7 | -- | 2,014 | -34% | -1,022 |
| | 1987/8 | -- | 1,803 | -41% | -1,233 |
| | 1988/9 | -- | 1,540 | -- | -- |
| Louisiana | 1984/5 | 103,556 | 6,016 | -- | -- |
| | 1985/6 | 106,559 | 1,706 | -72% | -4,310 |
| | 1986/7 | -- | 2,709 | -55% | -3,307 |
| | 1987/8 | -- | 3,503 | -42% | -2,513 |
| | 1988/9 | -- | 2,381 | -- | -- |

| | | | | | |
|---|---|---|---|---|---|
| Maine | 1984/5 | 23,941 | 666 | -- | -- |
| | 1985/6 | 21,561 | 192 | -71% | -474 |
| | 1986/7 | -- | 305 | -54% | -361 |
| | 1987/8 | -- | 303 | -- | -- |
| | 1988/9 | -- | -- | -- | -- |
| Maryland[7] | 1984/5 | 66,168 | 1,839 | -- | -- |
| | 1985/6 | 70,100 | 752 | -59% | -1,087 |
| | 1986/7 | -- | 2,020 | +10% | +181 |
| | 1987/8 | -- | 2,376 | +29% | +537 |
| | 1988/9 | -- | -- | -- | |
| Massachusetts | 1984/5 | 81,799 | 6,819 | -- | -- |
| | 1985/6 | 81,207 | 3,615 | -47% | -3,204 |
| | 1986/7 | -- | 4,392 | -36% | -2,427 |
| | 1987/8 | -- | 4,684 | -31% | -2,135 |
| | 1988/9 | -- | -- | -- | |
| Michigan[8] | 1984/5 | 137,584 | 3,813 | -- | -- |
| | 1985/6 | 152,556 | 3,187 | -16% | -626 |
| | 1986/7 | -- | 2,812 | -26% | -1,001 |
| | 1987/8 | -- | 2,651 | -31% | -1,162 |
| | 1988/9 | -- | 2,771 | -- | -- |
| Minnesota | 1984/5 | 54,067 | 5,302 | -- | -- |
| | 1985/6 | 53,355 | 3,023 | -43% | -2,279 |
| | 1986/7 | -- | 2,843 | -46% | -2,459 |
| | 1987/8 | - | 2,771 | -48% | -2,531 |
| | 1988/9 | -- | 2,690 | -- | -- |
| Mississippi | 1984/5 | 99,270 | 1,996 | -- | -- |
| | 1985/6 | 92,343 | 617 | -69% | -1,369 |
| | 1986/7 | -- | 1,687 | -16% | -309 |
| | 1987/8 | -- | -- | -- | -- |
| | 1988/9 | -- | 1,784 | -- | -- |
| Missouri[9] | 1984/5 | 77,351 | 4,021 | -- | -- |
| | 1985/6 | 71,023 | 3,004 | -25% | -1,017 |
| | 1986/7 | -- | -- | -- | -- |
| | 1987/8 | -- | 2,458 | -39% | -1,563 |
| | 1988/9 | -- | -- | -- | -- |
| Montana | 1984/5 | 12,345 | 268 | -- | -- |
| | 1985/6 | 13,103 | 239 | -11% | -29 |
| | 1986/7 | -- | 191 | -29% | -77 |
| | 1987/8 | -- | 177 | -34% | -91 |
| | 1988/9 | -- | 186 | -- | -- |
| Nebraska[10] | 1984/5 | 18,597 | 1,552 | -- | |
| | 1985/6 | 24,050 | 911 | -41% | -641 |
| | 1986/7 | -- | 1,422 | -8% | -130 |
| | 1987/8 | -- | 1,281 | -18% | -271 |
| | 1988/9 | -- | 1,580 | -- | -- |
| Nevada | 1984/5 | 8,479 | 113 | -- | -- |
| | 1985/6 | 9,353 | 39 | -66% | -74 |
| | 1986/7 | -- | 143 | +27% | +30 |
| | 1987/8 | -- | 77 | -32% | -36 |
| | 1988/9 | -- | 68 | -- | -- |
| New Hampshire | 1984/5 | 9,687 | 547 | -- | -- |
| | 1985/6 | 11,429 | 411 | -25% | -136 |
| | 1986/7 | -- | 301 | -45% | -246 |
| | 1987/8 | -- | 338 | -- | -- |
| | 1988/9 | -- | -- | -- | |

| | | | | | |
|---|---|---|---|---|---|
| New Jersey[11] | 1984/5 | 148,538 | 11,962 | -- | -- |
| | 1985/6 | 158,842 | 7,364 | -38% | -4,598 |
| | 1986/7 | -- | 6,819 | -43% | -5,143 |
| | 1987/8 | -- | 6,367 | -47% | -5,595 |
| | 1988/9 | -- | -- | -- | |
| New Mexico | 1984/5 | 28,114 | 1,224 | -- | -- |
| | 1985/6 | 30,838 | 877 | -28% | -347 |
| | 1986/7 | -- | 1,070 | -13% | -154 |
| | 1987/8 | -- | 1,344 | +10% | +120 |
| | 1988/9 | -- | 797 | -- | -- |
| New York[12] | 1984/5 | 335,153 | 39,663 | -- | -- |
| | 1985/6 | 311,118 | 31,520 | -21% | -8,135 |
| | 1986/7 | -- | 20,319 | -49% | -19,344 |
| | 1987/8 | -- | 21,071 | -47% | -18,592 |
| | 1988/9 | -- | -- | -- | -- |
| North Carolina[13] | 1984/5 | 129,041 | 454 | -- | -- |
| | 1985/6 | 124,908 | 447 | -2% | -7 |
| | 1986/7 | -- | 372 | -18% | -82 |
| | 1987/8 | -- | 478 | +1% | +24 |
| | 1988/9 | -- | 434 | -- | -- |
| North Dakota | 1984/5 | 8,640 | 491 | -- | -- |
| | 1985/6 | 8,734 | 308 | -37% | -183 |
| | 1986/7 | -- | 315 | -36% | -176 |
| | 1987/8 | -- | 300 | -- | -- |
| | 1988/9 | -- | -- | -- | -- |
| Ohio[14] | 1934/5 | 133,646 | 5,925 | -- | -- |
| | 1985/6 | 130,924 | 5,737 | -3% | -188 |
| | 1986/7 | -- | 7,997 | +33 | +1,962 |
| | 1987/8 | -- | 6,012 | +2 | +87 |
| | 1988/9 | -- | 5,823 | -- | -- |
| Oklahoma | 1984/5 | 62,504 | 358 | -- | -- |
| | 1985/6 | 61,368 | 213 | -41% | -145 |
| | 1986/7 | -- | 204 | -43% | -154 |
| | 1987/8 | -- | 170 | -53% | -188 |
| | 1988/9 | -- | 175 | -- | -- |
| Oregon | 1984/5 | 36,968 | 620 | -- | -- |
| | 1985/6 | 42,148 | 538 | -13% | -82 |
| | 1986/7 | -- | 513 | -17% | -107 |
| | 1987/8 | -- | 218 | -65% | -402 |
| | 1988/9 | -- | 626 | -- | -- |
| Pennsylvania[15] | 1984/5 | 206,769 | 21,564 | -- | -- |
| | 1985/6 | 199,845 | 17,749 | -18% | -3,815 |
| | 1986/7 | -- | 13,697 | -37% | -7,867 |
| | 1987/8 | -- | 16,415 | -24% | -5,149 |
| | 1988/9 | -- | 16,342 | -- | -- |
| Rhode Island | 1984/5 | 12,720 | 723 | -- | -- |
| | 1985/6 | 12,285 | 520 | -28% | -203 |
| | 1986/7 | -- | 443 | -39% | -280 |
| | 1987/8 | -- | 420 | -42% | -303 |
| | 1988/9 | -- | 398 | -- | -- |
| South Carolina | 1984/5 | 51,527 | 295 | -- | -- |
| | 1985/6 | 52,588 | 97 | -67% | -198 |
| | 1986/7 | -- | 89 | -70% | -206 |
| | 1987/8 | -- | 130 | -56% | -165 |
| | 1988/9 | -- | -- | -- | -- |

| | | | | | |
|---|---|---|---|---|---|
| South Dakota | 1984/5 | 12,077 | 800 | -- | -- |
| | 1985/6 | 12,350 | 652 | -19% | -148 |
| | 1986/7 | -- | 494 | -38% | -306 |
| | 1987/8 | -- | 480 | -40% | -320 |
| | 1988/9 | -- | 391 | -- | -- |
| Tennessee | 1984/5 | 99,144 | 460 | -- | -- |
| | 1985/6 | 103,135 | 193 | -58% | -267 |
| | 1986/7 | -- | 390 | -11% | -50 |
| | 1987/8 | -- | -- | -- | -- |
| | 1988/9 | -- | 894 | -- | -- |
| Texas[16] | 1984/5 | 292,726 | 5,022 | -- | -- |
| | 1985/6 | 362,695 | 2,883 | -43% | -2,139 |
| | 1986/7 | -- | 9,472 | -- | -- |
| | 1987/8 | -- | 4,183 | -- | -- |
| 1988/9 | -- | -- | -- | -- | |
| Utah | 1984/5 | 22,759 | 94 | -- | -- |
| | 1985/6 | 24,378 | 116 | +23% | +22 |
| | 1986/7 | -- | 91 | -3% | -3 |
| | 1987/8 | -- | 33 | -65% | -61 |
| | 1988/9 | -- | -- | -- | -- |
| Vermont | 1984/5 | 9,191 | 328 | -- | |
| | 1985/6 | 9,610 | 231 | -30% | -97 |
| | 1986/7 | -- | 234 | -29% | -94 |
| | 1987/8 | -- | 203 | -38% | -125 |
| | 1988/9 | -- | 183 | -- | -- |
| Virginia[17] | 1984/5 | 82,788 | 600 | -- | -- |
| | 1985/6 | 76,598 | 705 | +18% | +105 |
| | 1986/7 | -- | 893 | +49% | +293 |
| | 1987/8 | -- | 626 | +4% | +26 |
| | 1988/9 | -- | 593 | -- | -- |
| Washington | 1984/5 | 59,734 | 1,088 | -- | -- |
| | 1985/6 | 64,916 | 350 | -68% | -738 |
| | 1986/7 | -- | 668 | -39% | -420 |
| | 1987/8 | -- | 806 | -26% | -282 |
| | 1988/9 | -- | -- | -- | -- |
| West Virginia | 1984/5 | 33,100 | 284 | -- | -- |
| | 1985/6 | 33,457 | 147 | -48% | -137 |
| | 1986/7 | -- | 202 | -29% | -82 |
| | 1987/8 | -- | 160 | -44% | -124 |
| | 1988/9 | -- | 147 | -- | -- |
| Wisconsin[18] | 1984/5 | 60,238 | 3,090 | -- | -- |
| | 1985/6 | 65,950 | 3,458 | +12% | +368 |
| | 1986/7 | -- | 2,926 | -5% | -164 |
| | 1987/8 | -- | 2,920 | -- | -- |
| | 1988/9 | -- | -- | -- | -- |
| Wyoming | 1984/5 | 4,325 | 48 | -- | -- |
| | 1985/6 | 4,047 | 76 | +58% | +28 |
| | 1986/7 | -- | 37 | -23% | -11 |
| | 1987/8 | -- | 51 | +6% | +3 |
| | 1988/9 | -- | 39 | -- | -- |
| Puerto Rico[19] | 1984/5 | 253,354 | 6,877 | -- | -- |
| | 1985/6 | 264,166 | 4,783 | -30% | -2,094 |
| | 1986/7 | -- | 2,997 | -56% | -3,880 |
| | 1987/8 | -- | 16,528 | +42% | +3,358 |
| | 1988/9 | -- | -- | -- | -- |

[1] Information on the number of public and nonpublic school participants (ps and nps) have been collected by the Department of Education from annual "State Performance Reports". These reports vary in the quality of the data presented. Some states simply add all reports from LEAs assembled by a certain date, without correcting for missing reports. Thus year by year statements may vary for accounting reasons. Most states do not verify that the data reported by LEAs concerning nps participants is correct. A common error, for example, is that LEAs report the number of nps students they planned to serve (in the previous years planning document) as the number actually served. Other LEAs count only the number actually working with a Chapter 1 teacher at some point after the beginning of the school year. Arizona gathers its information from the state's LEAs by sampling, and therefore has a year-to-year variation in totals due to the accidents of sampling. Thus, some year to year fluctuations in the reported numbers of participants is an artifact of the manner in which the data has been gathered. Data for this table has been compiled from: Babette Gutmann, Allison Henderson,"A Summary of State Chapter 1 Participation and Achievement Information for 1985-86," US Dept of Education, Contract 300-86-0094, March 1988. Data for the post-1986 period, including all data collected for the 1987-88 year as of April, 1989, was provided by Carol Chelemer of the US Department of Education.

[2] Arizona collects its participation information for public and nonpublic school students by sampling its districts. Between 1984 and 1987, there is a 40% variation in the number of public school participants. For the decade, Arizona reports a variation of 60% for public school participation and 100% for nps participation before Aguilar. This variation is almost certainly an artifact of the sampling methodology rather than a reflection of actual annual change in the LEAs. For the six years before Aguilar, Arizona reported nps participation rates fluctuating from 630 to 2,049. The average for these years was 1,200. Thus it is likely that the 1984-85 figure is arbitrarily low, and that it understates the problem Arizona faces in restoring services.

[3] Several California school districts delayed implementation of Aguilar for a year. Consequently, the full impact of the decision was not felt throughout the state until 1986-87.

[4] In 198-81, Florida served fewer public school students, 147,354, and almost twice as many nps students, 5,685, as in 1984/5. Because Florida Catholic schools have been growing and receiving large numbers of Hispanic immigrant children, many of whom would ordinarily qualify for the program, the number of nps participants should have increased between 1980 and 1984. The fact that nps participants declined may indicate difficulties with the Florida Chapter 1 program apart from those imposed by Aguilar.

[5] Like Arizona, George samples its school districts to determine ps and nps participation levels.

[6] Chicago and several other Illinois cities postponed implementation of the Aguilar decision for one year. Given the nps losses for the City of Chicago, the state figures for nps losses appear to understate the problem.

[7] In the early 1980s, when Maryland served approximately the same number of public school students as it did in the late 1980s, 2,500 to 2,700 nonpublic school students. The number of nps students served in the test year, 1984-85, appears to be anomously smaller. Thus the growth in 1987-88 is actually a return to the averages of the early 1980s.

[8] Detroit and Grand Rapids received a stay of implementation in the first year after Aguilar. Thus, the full effect of the decision was not felt until 1986-87. The losses indicated for 1985-86 thus understate the impact of the decision on the state.

[9] In Missouri, more than 100 LEAs have been "by-passed," meaning that the Secretary of Education has determined that the state did not and could not provide equitable services to eligible nps students under restrictions of the state constitution which governed Missouri LEAs. This determination was made on an LEA by LEA basis, and did not apply to all LEAs in the state. By-pass became effective in the 1983-84 school year, when a private educational corporation contracted with the Department of Education to provide Chapter 1 services to nps students in separate classrooms at the nps site. When Aguilar prevented the continuation of that approach, the contractor was required to obtain off-site classroom space and to provide transportation. The contractor was reimbursed for this extra expense by the Department of Education, and so did not face some of the constraints now affecting the ability of LEAs to deliver these services in non-by-pass districts.

[10] Nebraska had significantly higher nps enrollments in every year prior to the test year. The average for the previous years was about 2,500. The totals reported for public school participants also fluctuated, by as much as 30% between 1984/5 and 1985/6. These fluctuations suggest a problem with the data collection in the state, and further suggest that an additional 1,000 pupils have lost services after Aguilar, assuming that the post-Aguilar data on nps participation is a universal survey.

[11] New Jersey also received a stay of implementation of Aguilar for the first year for many of its districts. Therefore, the full impact of the decision was not felt until 1986-87.

[12] New York City, where Aguilar originated, recieved a stay of implementation for one year. Thus, the state figures do not reflect the full impact of the decision until 1986/7.

[13] North Carolina operated only off-site services, and thus did not serve many eligible nps children prior to Aguilar. Aguilar, therefore, had virtually no effect on the state.

[14] Ohio was able to utilize mobile classrooms the state already used in its implementation of state programs. Thus, the capital burden on the state was not as great as on others, without such a stock of mobiles or portables.

[15] Philadelphia obtained a one-year stay of implementation of Aguilar, and so the full impact of the decision was not felt in the state until 1986/7.

[16] The number of nps students reported served in Texas in 1985/6 appears to be an error. The large increase cannot be accounted for by increases in participation in any of the state's largest school districts.

[17] Virginia, like Missouri, is a by-pass state. In those districts which are not by-passed, the state operates only off-site, after-school programs which do not obtain significant levels of nps student particpation. The by-pass contractors were not constrained by the same restrictions on capital expenditures that apply to the LEAs, since their overhead costs were considered separately from program costs in contract negotiations with the Department of Education.

[18] Wisconson, like Missouri and Virginia, could not deliver Chapter 1 services on the nps site even prior to Aguilar, because of restrictions in the state constitution and law. However, unlike Missouri and Virginia, Wisconsin developed some approaches for delivering services off-site which were effective, and therefore the nps sector did not request by-pass. Therefore, Aguilar had virtually no effect on the rates of participation in Wisconsin. However, that is solely because Wisconsin was already burdened with similar restrictions. The rate of participation in nps services in Wisconsin is less than half of what would be expected if services were delivered on site.

[19] The entire Commonwealth of Puerto Rico is a Chapter 1 target area on economic grounds, and all children are eligible for services if they fall below normal achievement levels. After Aguilar, the Commonwealth of Puerto Rico decided to contract out Chapter 1 services to nonpublic school students when a private contractor proposed to provide the services, off-site, through the use of mobile classrooms, at the per pupil cost calculated for the public schools. The contractor provided the same level of services provided in the public schools at lower cost, and used the difference to obtain the mobile classrooms used for the program. The steady growth in the size of the program reflects the rate of acquisition of the mobile classrooms. In the year 1987/88, the program expanded beyond all expectations, as non-public schools, who had previously decided the program did not offer enough benefits to overcome the distruption to the regular school program it caused, requested services for their eligible students. Today the program is one-third larger than it was pre-Aguilar.

Mr. NATCHER. Thank you, Sr. Sheenan. You have given us an excellent statement. We appreciate your appearance and the appearance of you, gentlemen.

Thank you very much.

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MONDAY, APRIL 30, 1990.

## VOCATIONAL REHABILITATION

### WITNESS

### DAVID A. SCHWARTZKOPF, ASSISTANT COMMISSIONER, MINNESOTA DIVISION OF VOCATIONAL REHABILITATION ON BEHALF OF THE COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

Mr. NATCHER. Next, is Mr. David Schwartzkopf. Come around. We are pleased to hear from you at this time.

Mr. SCHWARTZKOPF. Thank you.

I am pleased to be here today to give oral and submit written testimony of the Council of State Administrators of Vocational Rehabilitation to be included in the public record of these hearings.

As I said, I am very pleased to be here. However, the real reason I happen to be in Washington this week is that President Bush on Wednesday morning is scheduled to present me with the President's Trophy for the 1990 Disabled American of the Year.

However, more important even than that—personally, it is gratifying—but much more important to me is my opportunity to have a few minutes with this committee this afternoon.

I happen to be on loan from the IBM Corporation to the Minnesota Department of Jobs and Training as the Assistant Commissioner of the Division of Rehabilitation Services. As such, I am a member of CSAVR, which is an acronym for the Council of——

As I stated earlier, that CSAVR is comprised of chief administrators of vocational rehabilitation programs from the 50 States, the District of Columbia and territories. We administer the rehabilitation monies, which are mainly supported by the Rehabilitation Act, matched with state funding.

Since 1980, the purchasing power of the money, dedicated to vocational rehabilitation, have increased by only 1.8 percent. In fiscal year 1990, the appropriation was $1,052,000 of Federal funding, which allows us to serve approximately 1,000,000 individuals with disabilities. Sixty-two percent of those people will result in having competitive placement. Sixty-five percent of that almost 1,000,000 are severely disabled. Severely disabled require approximately 50 percent more resources to achieve competitive employment over less severely disabled.

I would ask that this committee support the authorized amount of $1,875,000 for fiscal year 1991. That would result in approximately 148,000 more people being serviced. Unfortunately, only one of 20 people who qualify for rehabilitation services actually are served because of resource restrictions.

I will close my testimony with a personal anecdote. As I said a bit ago, I—as a matter of fact, tomorrow is my 23rd anniversary with IBM. It cost the rehabilitation service in the state where I happen to grow up $5,000 to $6,000 to bring me to the point where

I was qualified professionally to be hired by IBM. Within five years of employment, I was paying an equivalent amount annually for what it cost me to get me ready for the employment market.

So, what that boils down to is that for the last 18 years, it has been one hell of a good return on investment.

Thank you for having me. If you have any questions?

[The statement of Mr. Schwartzkopf follows:]

Testimony

of the

# COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

before the
Appropriations
Subcommittee on Labor, Health and Human Services, Education and Related Agencies

of the

Committee on Appropriations
of the
United States House of Representatives

on

Monday, April 30, 1990
3:10 p.m.

As presented by:

Mr. David A. Schwartzkopf
Assistant Commissioner
Minnesota Division of Vocational
Rehabilitation

## COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION

The Council of State Administrators of Vocational Rehabilitation is comprised of the chief administrators of the public agencies providing rehabilitation services to persons with disabilities in the fifty states, the District of Columbia, and the territories.

These agencies constitute the state partners in the State-Federal Program of Rehabilitation Services for persons with mental and/or physical disabilities, as authorized by the Rehabilitation Act of 1973, P.L. 93-112, as amended.

While the Rehabilitation Act is the cornerstone of our Nation's commitment to assisting eligible people with disabilities to obtain competitive employment, and to live independent and productive lives, it is severely underfunded.

When one considers that a Louis Harris and Associates study estimates that two out of every three adults with a disability are unemployed, and that the Rehabilitation Program has the resources to provide services to only one in twenty eligible people, it constitutes an unacceptable tragedy for the millions of people with disabilities who need services, yet are unable to receive them.

The great responsibility placed upon the Rehabilitation Program will become even more acute, when the Congress enacts the proposed "Americans with Disabilities Act" (ADA). The ADA will vastly expand opportunities for all Americans with disabilities. It is vital that the Rehabilitation Program be fully prepared to assist people with disabilities to fully realize the promise of this landmark legislation.

## VOCATIONAL REHABILITATION SERVICES; BASIC STATE GRANTS

### Section 110

**FY 1991 CSAVR RECOMMENDATION..................$1,875,512,100**
**FY 1991 AUTHORIZATION........................$1,875,512,100**

Basic State Service Grants are the lifeblood of the Vocational Rehabilitation Program, financing the provision of vocational rehabilitation services to eligible individuals with mental and physical disabilities.

These Federal dollars, matched with state monies, permit State Rehabilitation Agencies to provide, or contract with private organizations and agencies to provide, individualized, **comprehensive services to eligible persons with mental and/or physical disabilities, for the purpose of rendering these individuals employed and independent.**

Such services may include evaluation; comprehensive diagnostic services; counseling; physical restoration; rehabilitation engineering; the provision of various kinds of training and training supplies, tools and equipment; prosthetic devices; placement; transportation; post-employment services; and **any other service necessary to rehabilitate an individual into employment.**

For Fiscal Year 1990, the Federal government estimates that the $1,528,500,000 appropriated for Basic State Vocational Rehabilitation **will serve 931,000 people with disabilities, of whom an estimated 62.5 percent will be rehabilitated into employment.**

Despite this expenditure, **there still are not sufficient funds to serve all those eligible, disabled people who have the potential and desire to work** and who need rehabilitation services to obtain employment and self-sufficiency.

Alarmingly enough, our best estimates are that **State Rehabilitation Agencies are able to serve only one out of every twenty people who are eligible, due to a total lack of resources.**

**In FY 1988, 65.5 percent of all individuals served by State Rehabilitation Agencies were described as being "severely disabled" by the Federal Rehabilitation Services Administration.**

In carrying out the mandate of the Act to give priority of service to the rehabilitation of individuals who are severely disabled, State Agencies have found that the costs -- in time, effort, and money for services -- are much greater than the cost of rehabilitating people less severely disabled -- greater by over 50 percent.

**At the same time, it is alarming to note that the purchasing power of**

**the Federal Rehabilitation Appropriation has remained virtually stagnant since 1980. According to the Congressional Research Service, it increased by only 1.8 percent from 1980 to 1988.**

This means that the Program is serving fewer people, while expending more money for adequate services, adequately-trained staff, adequate equipment, and adequate facilities.

With these statistics in mind, **the Council strongly urges that the Congress provide Federal appropriations for Basic State Vocational Rehabilitation Services in the amount of $1,875,512,100 for Fiscal Year 1991, the amount authorized in the law.**

A recent CSAVR Survey of all State Rehabilitation Agencies found that **with a Congressional appropriation of $1,875.5 million for FY 1991, an additional 148,000 people with disabilities will receive these vital rehabilitation services.** The Survey also shows that the States clearly have the ability to match, and effectively use, these valuable service monies.

The justification for higher funding levels stems from the purpose for which the money is spent--the prevention of an incalculable waste of human potential--a purpose on which no price tag can be placed.

Appropriating additional monies for Vocational Rehabilitation Services reduces the Federal Deficit.

**Over the decades, Vocational Rehabilitation has more than paid for itself by helping persons with disabilities increase their earning capacity; by freeing family members to work; and/or by decreasing the amount of welfare payments, health services, and social services they might need; as well as by assisting them to become taxpayers.**

The Congressional Budget Office has stated that "a reduction of funds for rehabilitation ... would generate increases in other parts of the federal and state budgets."

**Funds appropriated for Vocational Rehabilitation are a sound investment of the Public's money.**

## COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING - TITLE VII

**FY 1991 CSAVR Recommendation........................$51,154,000**
(Parts A, B, and C)
**FY 1991 Authorization...............................$51,154,000**

Initially funded with $5 million in FY 1985, Part A, Title VII of the Rehabilitation Act establishes a nation-wide State Grant Program to provide Comprehensive Services for Independent Living. This Program is designed to meet the current and future needs of individuals with disabilities so severe that they do not presently have the potential for employment, but who may benefit from rehabilitation services to enable them to "live and function independently."

According to data collected by the CSAVR, **approximately 20,000 people with severe disabilities are served annually under the Comprehensive Independent Living Services under Part A, Title VII.**

While this level of service delivery is significant, it is totally inadequate in meeting the well-documented needs of people with severe disabilities for independent living services.

At the very least, the Congress must continue its commitment to the establishment of a truly national Independent Living Service Delivery System, by providing the fully-authorized amount of $14.428 million.

The Independent Living Centers, under Part B, have proven -- and continue to prove daily --the effectiveness of, and the need for, the full implementation of the independent living concept.

Supplementation of the services provided by the Centers is desperately needed. This can be done by appropriating adequate funds for Part A, to allow for an equitable state distribution process, in addition to providing an increased funding base for the Part B Centers and the "Older Blind Individuals Program" under Part C.

To accomplish this, the CSAVR recommends an appropriation for FY 1991 of $51.154 million -- providing $14.428 million for Part A; $30.168 million for Part C; and $6.558 million for Part C, the amounts authorized in the statute.

## TRAINING GRANTS - Section 304(e)

**FY 1991 CSAVR Recommendation............................$38,517,000**
**FY 1991 Authorization...................................$38,517,000**

The specialized Rehabilitation Professions, such as those in Rehabilitation Counseling, work evaluation, rehabilitation medicine, rehabilitation nursing, and rehabilitation facility administration, do not have long histories. They are, in large part, the creations of the training authorities under the Rehabilitation Act.

These programs must continue to receive much-needed support, in order that progress may continue to be made in upgrading the quality and relevance of services provided to persons with disabilities; to meet critical personnel shortages; and to develop new positions needed for services provided to persons identified as severely disabled.

**The most critical training problem now facing State Rehabilitation Agencies is the need to continually invigorate the skills of rehabilitation personnel currently serving in the Public Program,** by creating a major priority for In-Service Training and Continuing Education for State Rehabilitation Agencies.

Since Training is so critical to the provision of quality services, and since these Programs receive no major support from any other source, the CSAVR recommends that $38.517 be appropriated under Section 304(e) for Fiscal Year 1991.

Money appropriated for Training is nothing less than an immediate and cost-effective investment in the improvement of the quality of services provided to people with disabilities by the Public Program.

## SUPPORTED EMPLOYMENT STATE GRANT PROGRAM - TITLE VI, PART C

First funded in FY 1987, the Supported Employment Services Program assists State Rehabilitation Agencies in entering collaborative efforts with other public and private organizations to provide "supported employment" opportunities for persons with severe disabilities.

Through FY 1988, just over 32,000 individuals have been placed into jobs through the Supported Employment Program. Nearly 90 percent of those served are persons who are mentally retarded or are mentally ill. If the fully-authorized amount is appropriated, several thousand additional individuals can be served and employed annually, and States can develop additional collaborative funding arrangements to identify sources of ongoing support for individuals with other types of severe disabilities.

## TECHNOLOGY-RELATED ASSISTANCE GRANTS - P.L. 100-407

Since 1989, twenty-two States have been awarded grants to develop and implement state-wide systems of technology-related assistance, under Title I of the "Technology-Related Assistance for Individuals with Disabilities Act." In thirteen of these States, the Vocational

Rehabilitation is the "lead agency" for implementation.

For FY 1991, it is imperative that the Congress appropriate $30.9 million for this important new initiative, in order that, at least, 20 new statewide grants can be awarded in FY 1991, and, in order that sufficient resources are made available to fund the National Technical Assistance Grants under Title II of this Act.

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Attached is a chart showing the recommendations of the CSAVR for the major service Programs authorized under the Rehabilitation Act.

While the CSAVR's statement focuses on major service delivery components of the Rehabilitation Act, the CSAVR supports adequate funding for all Sections of the statute, and wholeheartedly joins with the recommendations provided this Panel by other Organizations and Advocates.

# RECOMMENDATIONS OF THE COUNCIL OF STATE ADMINISTRATORS OF VOCATIONAL REHABILITATION REGARDING FISCAL YEAR 1991 APPROPRIATIONS FOR PROGRAMS AUTHORIZED BY THE REHABILITATION ACT, AS AMENDED

| ITEM | FISCAL YEAR 1991 RECOMMENDED APPROPRIATIONS LEVEL (in millions) |
|---|---|
| Basic State Vocational Rehabilitation Services Section 110 | $1,875.5 |
| State Supported Employment Services Section 638 | 30.95 |
| Comprehensive State Independent Living Services Part A, Title VII | 14.43 |
| Centers for Independent Living Part B, Title VII | 30.17 |
| Independent Living Services for Older Blind Individuals Part C, Title VII | 6.56 |
| Rehabilitation Training Section 304(e) | 38.52 |
| National Institute on Disability and Rehabilitation Research Section 204 | 60.38 |
| Special Demonstration Projects Several Sections in Title III | 31.36 |
| Projects With Industry Section 621 | 19.93 |
| Client Assistance Programs Section 112 | 8.7 |
| Technology State Demonstration Grants and National Projects | 30.9 |

Mr. **Natcher**. Thank you. You have given us an excellent statement. We are delighted to hear that you are going down to the White House on Wednesday. When you go down there, you will be visiting with a friend of ours. We are going to send him a good bill. We are going to send him a good bill on health and education, and we believe he is going to sign it.

If he doesn't, Mr. Pursell and Mr. Conte and several others are going down to talk to him.

Thank you very much.

Mr. **Schwartzkopf**. Thank you. And let me know. I will help you.

Mr. **Pursell**. Congratulations, David.

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Monday, April 30, 1990.

## EDUCATIONAL RESEARCH AND DEVELOPMENT

### WITNESS

GERALD E. SROUFE, DIRECTOR, GOVERNMENTAL AND PROFESSIONAL LIAISON, AMERICAN EDUCATIONAL RESEARCH ASSOCIATION, WASHINGTON, DC

Mr. **Natcher**. Our next witness is Dr. Gerald E. Sroufe. We are pleased to hear from you.

Mr. **Sroufe**. Good afternoon, Chairman Natcher and Congressman Pursell.

My name is Gerald Sroufe. I am Director of Governmental and Professional Liaison for the American Educational Research Association, which is located right here in Washington, D.C.

We have an interesting problem to discuss with you today, that is, that the President has proposed an 83 percent increase for research and statistics in the 1991 budget. An increase this large within an overall education budget that is less than the rate of inflation surely has attracted the attention of the staff and members of the subcommittee.

Unfortunately, this request is neither as grand as it appears at first glance, nor is it adequate to meet the expectations of Congress and the Nation for dependable knowledge about how to improve our schools.

There are three comments to be made regarding the proposed increase.

First, the percentage increase is large only because current investment in research and statistics provides a very small base. The total increase proposed for research, statistics, and improvement of practice is about $80,000,000.

As you look at the spending plan for research, you will find much that will please you. I know there has been serious concern about focusing research and statistics on critical national problems, especially those dealing with improved education opportunities and experience for the disadvantaged. I know the problem of dissemination of research findings has been a great concern to the subcommittee.

I think both of these concerns are well addressed in the relative modest increase in the core programs requested by OERI to carry out a more substantial program of research.

Only about $6,000,000 of the $80,000,000 increase is used in improving the research and dissemination efforts of the research program per se.

A third comment that I would like to make answers the question you probably have, where is all this money going? Of the $80,000,000, two-thirds, $53,000,000 is designated for presidential initiatives. One fact that must be made about the initiatives is that thus far they have not been presented very broadly outside the Administration This clearly does not mean they are without value. But, it does mean that in contrast to the broad based decision process associated with the laboratory competitions, the research center competitions and development of dissemination strategies associated with ERIC, they have to this point not been a subject of discussion within the education community.

Given this analysis of the distribution of funds requested, it would be politically convenient if I could take the position to advocate the increases for the core activities and urge you to jettison the President's initiatives, two of the programs proposed by the President represent major challenges, both to the Congress and to the research community.

These are described in some detail in my prepared remarks. Let me simply call your attention to the two. One is a $3,000,000 request to evaluate reform strategies that are taking place in the country now. A notable example is the revolution in the government of education taking place in Chicago. It certainly would be well if the Federal Government could provide resources to attend to what takes place there so that we could learn something from that experience.

Second, is $20,000,000 requested to develop data bases and research strategies necessary to achieve national goals adopted by the President and the governors. I suspect Congress will want to add and modify the proper set of goals. I think no matter what the goals are, they will require some focused attention on developing a data base to support them.

The Federal support for education, statistics and research appears to be well established. For a variety of reasons, most especially because of the urgent demand for program funds to provide educational opportunities for all our children, we have not done as well in this area as we must.

There is too little research because there is too little funding. A special problem is in the height of the demographics of our school age population is there are very few minority researchers in our graduate schools. We have a role in improving this situation. AERA tries to do its part by providing training programs, scholarly journals, symposia and national meetings and by working with teachers and administrators.

The association is seeking private funding to support minority researchers in the last few years of their graduate program, which is the time most people have most trouble continuing their studies.

I would like to conclude by suggesting three steps the subcommittee might take in order to help create a sound Federal research and statistics program.

First is I encourage you to look critically and carefully but with favor on the increases proposed in the 1991 request for research and statistics.

A second step is much less glamorous. I urge the subcommittee to try to support Mr. Cross, the Assistant Secretary of OERI, in his efforts to make OERI a strong, reliable and trusted agency. He needs the modest increase in additional staff that he has requested and he needs resources sufficient to provide for travel and professional development of that staff.

The third thing is simply to suggest that the subcommittee might take steps to encourage the department to invest more adequately in research conducted by individuals. I am sure that members of the subcommittee are aware that almost all of the research money that the department has goes into the research centers and the laboratories. In fact, only $1,000,000 is proposed to be spent for all of the individual research that might be done for the country. Perhaps the subcommittee can help the department to realign their priorities in this regard.

Thank you for your attention to these concerns. Please call on us if we can be of any assistance in your deliberations.

[The statement of Mr. Sroufe follows:]

American Educational
Research Association

# Testimony before the House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies

presented by

Dr. Gerald E. Sroufe
Director, Governmental and Professional Liaison
American Educational Research Association
Monday, April 30, 1990
3:15 P.M.

1230 SEVENTEENTH STREET, N.W., WASHINGTON, D.C. 20036 (202) 223-9485
Facsimile (202) 775-1824

Good afternoon Chairman Natcher and members of the Subcommittee. My name is Gerald E. Sroufe and I am Director of Governmental and Professional Liaison for the American Educational Research Association (AERA) located in Washington, DC. AERA is now entering its seventy-fifth year of service. Included among its 15,000 members are those educators - professors, practitioners, and policy makers - who most value research as a central ingredient in understanding and resolving perplexing problems in education.

The President has proposed an 83 percent increase for research and statistics in his 1991 budget request. An increase this large within an overall education budget that is less than the rate of inflation surely has attracted the attention of the staff and members of the Subcommittee. Unfortunately, this request is neither as grand as it appears at first glance, nor is it adequate to meet the expectations of Congress and the nation for dependable knowledge about how to improve our schools.

There are three comments to be made regarding the proposed increase.

First, it must be noted that the percentage increase is large only because current investment in research and statistics provides a very small base. The total increase proposed for research, statistics, and improvement of practice is about $80 million dollars. Unfortunately, the funding base of research and statistics has declined by such an extent that fewer federal funds are available now than in 1973. In this instance it is important that the Subcommittee look both toward the total dollars involved as well as the percentage increase.

(Currently federal research and statistics expenditures represent less than one percent of the federal expenditures for education. In contrast, investment in research and development in information based industries ranges from 7 to 20 percent. See Louis Perleman, Hudson

Institute Briefing Paper, October 16, 1989.)

A second comment is that members of the Subcommittee will find much in the spending plan in research and statistics that will please them. Serious efforts have been made to focus core research and statistics programs on critical national problems, especially those dealing with improved education opportunities and experiences for the disadvantaged. The problem of dissemination of research findings that has been of serious concern to the Subcommittee has been attacked vigorously. Congress may reasonably assume that dependable knowledge will get to teachers and policy makers in a timely fashion and in a form that makes it helpful to them if the increases are provided. Finally, the modest increase in core programs requested will permit the Office of Educational Research and Improvement (OERI) to carry out a more substantial program of center research in areas of clear concern to the Congress. Only about $6 million of the proposed increase is required to improve the research and dissemination efforts of OERI.

An additional $21 million of the $80 million proposed increase will be consumed by NAEP and NCES in the conduct of surveys and data gathering efforts requested by the Congress. No new studies are provided for in this amount.

A third comment is that two-thirds of the increased funds requested - $53 million - are designated for "Presidential initiatives." One fact that must be noted about these initiatives is that thus far they have not been presented outside the Administration. This clearly does not mean they are without value. However, in contrast to the broad based, decision process associated with the laboratory competitions, center competitions, and development of dissemination strategies associated with ERIC, they have not to this point been the subject of discussion within the education community.

Given the preceding analysis of the distribution of funds requested for research, statistics, and improvement of practice, it would be politically convenient if one could responsibly take the position of advocating the increases requested for core activities and jettisoning the President's initiatives. However, two of the programs proposed by the President represent major challenges both to the Congress and to the research community. First, the $3 million requested to evaluate reform strategies would permit us to learn much from the tremendous expenditure of human energy and dollars in various state and local reform efforts. This is an unprecedented period of major reform in education and the Department of Education should be commended for seeking to assume a responsible role in monitoring these developments and learning from them.

(It is instructive, unfortunately, that the revolution in education governance now being experienced in Chicago could draw so little from the previous experience of New York City, or anywhere else, in designing its reform. We typically fail to study systematically major changes until after the fact.)

Second, $20 million is requested to develop data bases and research strategies necessary to achieve the national goals adopted by the President and the Governors. Mr. Christopher Cross, the Assistant Secretary of Education for Educational Research and Improvement, is developing a comprehensive plan for the design of an information system appropriate to that set of goals. It may well be that Congress will wish to establish its own set of education goals. It is certain, however, that a commitment to achieving specific education goals within a specific time frame will require additional resources to provide information systems necessary to establish benchmarks and to monitor progress toward the achievement of such goals.

The Federal responsibility for education statistics and research appears to be well-established. For a variety of reasons, most especially because of the urgent demand for program funds to provide educational opportunities for all our children, we have not done as well in meeting this obligation as we must. There is too little research because there is too little funding. Most troubling, in light of the future demographics of the school age population in our country, there are very few minority researchers in our graduate schools. We all have a role in improving this situation. AERA tries to do its part by providing training programs, scholarly journals, symposia and national meetings, and by working with teachers and administrators. The Association is currently seeking private funding to support minority researchers in their final years of graduate education where most have most difficulty continuing their studies.

There are three steps this Subcommittee can take to help create a sound federal research and statistics program. One, is to look carefully, but with favor, on the increases proposed in the 1991 request for research and statistics.

A second important step the Subcommittee can take is to support Mr. Cross in his efforts to make OERI a strong, reliable, and trusted agency. He needs the modest increase in additional staff requested and he needs resources sufficient to provide for travel and professional development of the staff.

A third action the Subcommittee might take is to encourage the Department to invest more adequately in research conducted by individuals. The research centers do excellent work, but the success of our research effort requires that we support individual scholars and groups of scholars as well. The proposed increase in the area of field-initiated research is only $300,000 and will result in only a $1 million dollar federal investment in the work of individual education researchers. This is inadequate in two respects: first, it provides that virtually all research eggs are in the basket of the research centers; second, it discourages scholars - young and old alike - from pursuing research interests in education. Perhaps the Subcommittee can find some goals among the President's initiatives that might be well addressed by individual researchers selected through a grant competition.

(The National Science Foundation awards about 87 percent of its funds to individual researchers or small groups of researchers; The Office of Research in OERI awards less than 5 percent of its funds to individual researchers.)

Thank you for your attention to these concerns. Please call on our Association if we can be of assistance in your deliberations.

Mr. NATCHER. Thank you. You have given us an excellent statement. We appreciate your appearance.

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MONDAY, APRIL 30, 1990.

## EDUCATIONAL DEVELOPMENT

### WITNESS

**PRESTON C. KRONKOSKY, EXECUTIVE DIRECTOR, SOUTHWEST EDUCATIONAL DEVELOPMENT LABORATORY AND CHAIRPERSON, COUNCIL FOR EDUCATIONAL DEVELOPMENT AND RESEARCH, AUSTIN, TX**

**DENA G. STONER, EXECUTIVE DIRECTOR, COUNCIL FOR EDUCATIONAL DEVELOPMENT AND RESEARCH, ALEXANDRIA, VA**

Mr. NATCHER. Our next witness is Mr. Preston Kronkosky.

Mr. KRONKOSKY. I am pleased to present my colleague, Dr. Dena Stoner, Executive Director, Council for Educational Development and Research.

Mr. NATCHER. She has been before us before and we are delighted to have you back. She knows as much about this bill as we do.

Mr. KRONKOSKY. Yes, sir. She is here to keep me on the record. You notice she has a mark under her right eye. She lost the first round in the battle of the bus in Alexandria last week, but she will be back for the second round.

Good afternoon. I am Preston Kronkosky, Executive Director of the Southwest Educational Development Laboratory headquartered in Austin, Texas.

Today, I appear before you in my additional capacity as this year's chairman of our national association, the Council for Educational Development and Research.

The Council's mission is to support congressional ally created educational research and development institutions as they find ways, either through their own investigations or their evaluation and use of other research, to enable every American school child to be successful.

Due to time limitations, I will focus on the funding of the Nation's network of regional educational laboratories and university based research and development centers.

The Council applauds you, Chairman Natcher and members of this subcommittee, for your leadership in advocating a higher level of education funding than proposed either by the Administration or by the House Budget Committee.

So while my remarks today will focus primarily on the needs of the research institutions that provide the foundation of the Federal education research enterprise, please understand that we are actively supporting increased Federal funds for the Federal programs that deliver services at the local school district level.

Across the Nation, local communities are trying to educate children and youth for an international economy using methods developed for a swiftly disappearing agrarian and post-industrial economy. For that economy, the schools played a valuable role: They channeled children and youth into jobs that the economy provided.

I can remember when ranchands (cowboys) and oil patch roughnecks did not need a high school diploma. Until well after World

War II, no one considered someone who had not finished high school a dropout. The word was not known because there was a place for such individuals in our American economy.

Unfortunately, the world has changed. No longer is there an economic place for individuals without a high school diploma to earn a decent living and be self-sufficient. The education requirements needed for success in the current marketplace have changed dramatically.

Unfortunately, in many communities, our educational system has not changed. It continues to operate on assumptions about children and learners, and with educational methods created for yesteryear.

But the good news is that educators and the American public want to respond to the challenge heralded by national study groups, the testing industry, and publicized by the press.

Gentlemen, it is much easier to describe these problems than it is to devise the solutions. Problems make news. Frequently, there is more public reward for those who report the problems than for those who attempt to devise solutions.

The nation-wide network of regional educational laboratories and those university-based research centers that I am representing today are trying to find solutions.

It has been this committee that has sustained the federally-funded network of regional laboratories and research centers over the years. The targeted research efforts of our national research and development centers provide the basis for the laboratories to develop ways to help our most at-risk school children succeed.

For example, the centers for Social Organization of Schools, for Research on Elementary and Middle Schools, and for Research on Effective Schooling for Disadvantaged Students, operating from Johns Hopkins University, are world-class. The synergy of a group of dedicated full-time researchers, each bringing a unique background to the complex problem of how to teach disadvantaged children, especially at the critical elementary and middle school years, is captured in the work of these national centers. No professor alone could produce this knowledge.

Imagine our surprise earlier this year when the Administration eliminated the Elementary and Middle School Research Center topic from its list of research missions for the next five years. It replaced it with a topic oriented toward education "restructuring," which might encompass the ongoing research on elementary and middle schools, at least partially.

But there was another surprise in store, too. This latest research center topic has been designated by the Administration, along with the proposed center on school finance and the proposed center on cultural diversity and second language learning, to receive funding only if this committee sees fit to award the research centers $22,000,000 as requested by the Administration. This is $4,000,000 more than last year, fiscal year 1990.

The Council supports the full $22,000,000 request. However, we disagree with the priorities set by the Administration because some of the most important topics have been moved to the bottom of its priority list should this full funding level not be provided.

Therefore, we urge the committee to carefully examine the research missions of the centers you fund. Please ensure that, one, fruitful lines of inquiry representing years of Federal investment are not destroyed, and, two, those missions funded by you, target at a minimum, the following complex problems: accurate testing of student achievement; educating children from diverse cultures; financing schools in communities and states in financial distress due to the economy or state court decisions; redesigning schools to meet learners' needs, and preparing children for the new work place, including upgrading mathematics and science achievement.

The highly successful network of regional educational laboratories is being expanded this year from nine to 10. A regional educational laboratory, serving the Pacific, is being added as the tenth. The Administration has requested only $20,000,000 in budget authority for fiscal year 1991, a decrease from $23,400,000 in budget authority provided last year, fiscal year 1990 by this committee.

Accommodating this new institution at a start-up funding level of approximately $800,000, plus some technical contracting gaps, along with using the 1990 Rural, Small Schools Initiative carry-over, means that the Administration is providing no increase either for the continued operations of the laboratories or their services to rural schools in 1991.

Further, the use of fiscal year 1990 carry-over money from the special rural school's program to fund the fiscal year 1991 laboratory program is the only way the Administration is accommodating laboratory services at last year's appropriated level.

Mr. Chairman and members of the committee, the regional educational laboratories need $25,000,000 in budget authority in fiscal year 1991 just to stay at the level of fiscal year 1990.

Other than the special Rural Schools Initiative, which this committee has provided the regional educational laboratories, there has been no increase in funding for this group of institutions for 17 years. We urge you to break this pattern and allow us to do more in fiscal year 1991 by doubling the funding for the laboratories.

The regional educational laboratories stretch Federal dollars about as far as they can go. Our staffs are small, ranging from 20 persons to about 120 persons across the nine laboratories. Nevertheless, the laboratories are getting programmatic help into schools. Their regional focus and independent targeting capability established by their regional governing boards makes this possible.

Less than a month ago, the Department of Education released its first comprehensive survey of the use of Federal research and development resources by public school districts. Seventy-two percent of the school districts sampled recognized the regional educational laboratories. Of these districts, 66 percent received services and/or products from them and 50 percent report that the districts frequently used these resources.

The report emphasizes the fact that the data underrepresents the influence of the laboratories because so much of the laboratories' work is done with and through other institutions who, in turn, use the laboratories' research directly with the schools.

This U.S. Department of Education report was preceded by another report by the GAO released last fall. This report, "Effective Schools Programs: Their Extent and Characteristics," showed that state education agencies and regional educational laboratories were the two most frequently cited sources of assistance to school people.

For this work, the laboratories draw from their $17,800,000 base funding, from which they do everything. In comparison, the report notes that in fiscal year 1989, SEAs were provided with $18,400,000 from Chapter II funds alone to help schools become more effective.

Bluntly, these laboratories work. Along with the research centers, they provide the steady, long-term help that schools need. Together these two types of institutions comprise the basic infrastructure to deal with the problems the national studies have identified.

The laboratories and centers do value and use a number of services that Congress has mandated that the Department of Education provide. Thus, we urge that you continue to fund the Education Resources Information Center Clearinghouse (ERIC) system and the National Center for Education Statistics at the Administration's request.

Without access to the valuable ERIC resources or to the data from NCES, it would be difficult for the Federal research infrastructure to operate as efficiently or effectively.

With regard to the NCES, we are concerned that the Administration continues not to comply with the law by not providing the center with its own administrative budget. This undermines its need to be sheltered from political interference, something that would destroy trust in a national database.

In summary, we ask that you, one, support research center funding at $22,000,000 and give careful attention to their missions, two, double the funding level of the national network of regional educational laboratories, three, support the funding of ERIC, and, four, create a separate administrative budget for the National Center for Education Statistics and fund its appropriation line item at the Administration's request.

Thank you for allowing me to present this testimony on behalf of the Council for Educational Development and Research.

Mr. NATCHER. Thank you very much, Mr. Kronkosky. You have given us an excellent statement. We appreciate your appearance. Ms. Stoner, you can come and see us any time.

Ms. STONER. Thank you, Mr. Chairman.

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MONDAY, APRIL 30, 1990.

## PHYSICIAN ASSISTANT EDUCATION PROGRAMS

### WITNESS

### PAUL LOMBARDO, PRESIDENT, AMERICAN ACADEMY OF PHYSICIAN ASSISTANTS

Mr. NATCHER. Our next witness is Paul Lombardo, President of the American Academy of Physician Assistants.

Mr. LOMBARDO. Mr. Chairman, on behalf of the American Academy of Physician Assistants and the 21,000 PAs we represent, I appreciate this opportunity to present our views on the fiscal year 1991 Labor, Health and Human Services appropriations bill.

The Academy appreciates the support of the House Appropriations Committee in general, and this subcommittee in particular, has shown for PA education over the years. Last year both Senate and House Appropriations Committees recommended significant increases in Federal support for PA education. Ultimately, the final appropriation represented a compromise between the two figures—$4,875,000.

As a result of that increase, I am pleased to report that the Department was able to fund all of the commitments it had made during the fiscal year 1989 funding cycle (PA grants are multi-year), and still hold a competitive grant cycle for new proposals. This year, one new PA program was able to receive a grant without adversely affecting existing grantees. This program, located in California, will add new PAs to the work force in a few years.

It is also worth noting, Mr. Chairman, that both the Air Force and Navy have restated their PA programs this year. Once accredited, this will mean four new programs (another new program received money from the fiscal year 1989 appropriation) on line and producing graduates. All of this interest is being driven by the same factor—a severe shortage of physician assistants.

In addition to these four new programs, the committee should be aware that there are a number of States seriously considering starting new PA programs because of the acute PA shortage in their States. These are: Nevada, Oregon, Minnesota, Maine, New York, and Texas.

Nevada, Oregon, Minnesota, and Maine are particularly important because there are presently no programs located in these states. New York, despite having seven accredited PA programs and an eighth in the process, is looking into the possibility of starting additional programs.

In addition to starting new programs, existing PA programs are looking into the potential to expand current class sizes without diminishing the quality of the education. Efforts to increase the applicant pool are beginning to pay off and it appears that we will see an increase in the number of qualified applicants in 1990 over 1989.

At a time when so many other health professions are seeing programs close due to a drop in applicants, the PA profession anticipates a growth of greater than 10 percent in the number of accredited programs over the next few years.

Although this is good news, Mr. Chairman, it also means that there will be an increased demand for Federal assistance to help get these programs started and running smoothly. This new money will be needed, not to provide the total support but rather to be used with state and/or private (institutional) money to help get them started.

As you can imagine, starting a program is an expensive proposition. Particularly because in the early stages there is not revenue coming in. A combination of Federal/state and institutional support is critical to the overall success of a new program.

Despite this good news, concern has been expressed, both at the Federal level and within the health policy community, that perhaps PAs are turning away from their traditional areas of medicine—primary care, in favor of medical specialities. The question has been asked, if this is the case, should the Federal Government continue to support PA education?

Clearly the percentage of PAs in primary care medicine is down by historical standards; however, when compared to any other medical profession, the numbers are far higher. In addition, there are more PAs working in rural communities, as a percentage of the profession, than any other health profession. To the question, should the Federal Government continue to support PA education, we answer a resounding yes.

Certainly market forces are creating opportunities for PAs that did not exist a few years ago. The profession cannot stop this expansion. But Federal and state health policy makers must also understand that a significant reason for the change in PA practice seen over the past few years has been the direct result of changes in government policy.

In our view there are two explanations for the change in PA demographics:

One, changes in graduate medical education at both the Federal and state level;

Two, serious errors made by GMENAC in its 1980 report.

Graduate medical education. Changes at both the Federal and state level in graduate medical education financing and work-hours have had a profound impact on the PA profession.

As the Federal Government reduced support for graduate medical education through the medicare program, hospitals, particularly inner city hospitals, found it necessary to either decrease or eliminate their residency training programs. This loss of physician manpower, at a time when patient populations were rapidly increasing, forced hospitals to seek alternatives to residents as hospital house staff. The logical choice became physician assistants.

The number of PAs presently working as hospital house staff, in positions previously filled by residents, is real and growing. We expect this trend to continue for the foreseeable future.

The resident situation was compounded further when states, such as New York, began restricting the number of hours residents could work. This again caused a manpower crisis which further increased demand for PAs in the hospital arena. According to the Health and Hospitals Corporation of New York, New York hospitals alone could hire every PA student graduating from New York programs (of which there are seven) and still not have enough PAs to fill all of the anticipated positions.

As you know, Mr. Chairman, over the past few years, many have begun questioning the findings of the 1980 GMENAC report. interestingly, we come here today, not to bury GMENAC, but to praise it. You see, Mr. Chairman, GMENAC predicted the very shortage we are presently experiencing.

In assessing the PA manpower situation, the Academy decided to go back and reexamine the GMENAC report and find out where it went wrong. To our surprise, Mr. Chairman, we found that the research was not wrong, and in fact it was right on target. Unfortunately, the way GMENAC chose to report its finding obscured the fact that it predicted a mid-level health care provider shortage by 1990.

As you know, the GMENAC report used the rather revolutionary idea of a needs based model for projecting future health manpower demand. After determining the projected need, the panels then looked at projected supply of health providers to meet that need and then predicted possible over-supply of under-supply of health care providers.

In developing its models for health demand in 1990, GMENAC assumed that many of the visits normally performed by physicians would be delegated to non-physician providers such as PAs, nurse practitioners and, in the case of OB/GYN care, nurse midwives.

For example, the Delphi panel estimated that in 1990 there would be approximately 1,700,000,000 adult visits. Of these fully 22 percent or 390,000,000 could reasonably be expected to be delegated to non-physicians (PA, nurse-practitioners and certified nurse midwives).

A separate panel was looking at the anticipated supply of PAs, NPs and CNMs. This panel projected a supply of approximately 20,000 PAs, 20,000 NPs and 5000 CNMs in 1990.

It became quite apparent that 45,000 non-physicians was insufficient to handle 22 percent of all adult visits. But rather than report this as a serious shortage of PAs, NPs and CNMs, the GMENAC simply decided to assume that these visits would not be delegated. Thus, instead of 22 percent of all adult visits being delegated, as originally anticipated, GMENAC reported that only 12 percent of all visits would be delegated, thus leaving you with a supply-demand ratio in relative equilibrium.

The fact is that the Delphi panels were right. The anticipated manpower projections are relatively close to what we have in 1990 and based upon demand for non-physicians, we know that physicians are seeking to delegate care to PAs in a manner consistent with the initial Delphi projections.

This "doctoring" of the numbers was, to say the least, unfortunate for millions of Americans who do not have access to health care because of an inadequate supply of health care providers.

This statistical sleight of hand by GMENAC has had a disastrous impact on rural America where chronic shortages of qualified health providers continue despite the rosy projections of GMENAC.

The PA profession is committed to ensuring access to health care for all Americans. The profession has redoubled its efforts to focus attention on primary care medicine and underserved populations. Despite increasing pressure for specialization, programs have intensified their efforts to recruit individuals into the profession who have an interest in primary care medicine—particularly as it relates to underserved populations.

As you may know, we are presently working with the Federal Office of Migrant Health and the National Rural Health Association on the establishment of the first post-graduate fellowship in migrant health. We believe this project, if successful, can serve as a model for other health professions—particularly physicians and nurses.

Finally, we are working with States and PA chapters trying to start new programs in areas of the country where none presently exists. But as I mentioned, Mr. Chairman, we need your help. Starting a program is not easy and the costs can be high.

This year, PA programs are authorized to receive $5,400,000. We urgently request that this subcommittee appropriate the full $5,400,000. We realize this is significant and not easy in times when budget dollars are tight. But also realize, Mr. Chairman, that we have lost almost 10 years worth of health professions assistance from the Federal Government based upon false and misleading data. If we are going to turn the tide, we must do so now.

Your past support for adequate funding for PA education has been greatly appreciated, Mr. Chairman. We hope we can continue to count on your support in the years to come. The Academy is always available to answer any questions you might have.

Mr. NATCHER. Thank you very much, Mr. Lombardo. You have given us an excellent statement. We appreciate your appearance before our committee.

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MONDAY, APRIL 30, 1990.

## PUERTO RICO

### WITNESSES

DR. RICHARD MACHADO, PRESIDENT ELECT, PUERTO RICO HOSPITAL ASSOCIATION

HON. MIGUEL HERNANDEZ-AGOSTO, PRESIDENT, SENATE OF PUERTO RICO

DR. JOSE SOLER ZAPATA, SECRETARY OF HEALTH, PUERTO RICO

Mr. NATCHER. Our next group is a panel. We have Congressman Jaime Fuster here to introduce it. Congressman Fuster, we are glad to have you with the committee.

Mr. FUSTER. Chairman Natcher and Members of the committee, I am Jaime Fuster. I represent the 3,500,000 citizens of Puerto Rico in the U.S. House of Representatives. I have submitted a letter to you for the record on this matter.

[The information follows:]

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April 25, 1990

Honorable William H. Natcher
Chairman
Subcommittee on Labor, Health and
  Human Services and Education
2358 Rayburn HOB
Washington, D.C.  20515

Dear Chairman Natcher:

I appreciate your holding hearings to discuss the vast array of programs under your Subcommittee's jurisdiction and thank you for the opportunity to express my views on two programs, Medicaid and Medicare.

The situation and present condition of Puerto Rico's health care system is extremely precarious and the health care needs of our predominantly poor population very pressing. At 13.7% per 1,000 births, Puerto Rico's mortality rate is one of the highest in the nation. Childhood diseases like chicken pox and measles, usually easily controlled, still run rampant. Life expectancy at birth declined in Puerto Rico between 1981 and 1986.

The Medicaid program is presently available in Puerto Rico, but under different rules than in the other 50 states. In Puerto Rico, Medicaid funding is arbitrarily capped. Moreover, the Federal matching funds to Puerto Rico have been unrealistically low vis-a-vis the fifty states. According to figures provided to me by the Puerto Rico Hospital Association, between 1968 and 1989, Federal matching funds to the island experienced a 281% change, while the average Federal Medicaid payment experienced a 1636% change.

The bare facts speak for themselves. According to the Medicaid Source Book of 1988, Mississippi, the poorest state in the nation, which has a per capita income two times that of Puerto Rico, has 318,871 Medicaid beneficiaries compared to 1,761,833 in Puerto Rico. Under the present formula, the total Medicaid payment to Mississippi is $348.6 million compared to $146.6 million for Puerto Rico. The Medicaid payment per beneficiary in Mississippi is estimated at $816 while in Puerto Rico it is $86.

I would also like to bring to your attention the equally inequitable treatment that Puerto Rico receives under Part A (Hospital Services) of the Medicare Program. Although I am aware that your Subcommittee does not have jurisdiction over this Medicare program, I feel that in order to best illustrate our hospitals' precarious financial situation, it is necessary to present to you a complete picture of the current inequities we face.

Since 1984, most Medicare inpatient hospital services in the United States have been reimbursed under the "prospective payment system", or PPS. Hospitals in Puerto Rico became subject to the rules governing PPS in October of 1987. However, the general formula for the calculation of prospective payment rates for hospitals located in Puerto Rico differs substantially from the formula used on the mainland. Puerto Rico's PPS rates are substantially lower than those prevailing on the mainland even though many of the hospital costs in the island are more expensive than those in the mainland.

At current funding levels Puerto Rico is unable to adequately meet the health needs of our large and disadvantaged population. Puerto Rico is presently overburdened by trying to meet its health expenditures and keep up with inflation and population growth. For instance, government spending on health care per capita has only risen $2.82 in 18 years, $42.58 in 1972 as compared to $45.40 in 1990.

The health of our people, the condition of our hospitals and the quality of our health care system will continue to deteriorate to critical levels until the lack of adequate and sufficient Federal funding for Medicaid and Medicare programs is addressed. Because the health of human beings is at stake, time is of the essence.

I strongly encourage you to address this inequity that Puerto Ricans must endure and which grossly disregards the real needs of the 3.3 million U.S. citizens of Puerto Rico.

Once again, I commend you for holding these hearings and look forward to working with your Subcommittee in trying to find a solution to these problems.

Cordially,

Jaime B Fuster

Jaime B. Fuster
Member of Congress

Mr. FUSTER. I just want to introduce the people who will be testifying today, because they are prominent members of my constituency in Puerto Rico.

I have Mr. Richard Machado, President Elect, Puerto Rico Hospital Association; Miguel Hernandez-Agosto, President, Senate of Puerto Rico; and Jose Soler Zapata, Secretary of Health of Puerto Rico. They are the ones who will be testifying on a matter that is of concern to my constituents. It is under the authorizing committee's more than under your jurisdiction, but they do have appropriations implications and I think it is important that you hear from them.

Mr. NATCHER. Congressman Fuster, we appreciate your appearance and the participation of these three gentlemen with you.

Mr. Pursell?

Mr. PURSELL. I had an opportunity to visit their hospitals here just briefly with Carolyn Davis, our former HCFA administrator. I know your testimony will be appreciated by Members of the committee. I look forward to hearing your testimony and wish you the best.

Mr. NATCHER. Before you give us your statement, I want to thank Dr. Carolyn Davis for appearing at this time. She served with distinction and honor as the administrator of HCFA. She has heard me say, Congressman Fuster, on more than one occasion, if you ask me to pick the three most difficult assignments in the Federal Government, the whole government, HCFA would be either one or two. You can take my word for it. She served with distinction and honor. We are glad to have you back, Dr. Davis.

Go ahead now, we will be pleased to hear from you.

Mr. SOLER. My name is Jose Soler. I am Secretary of Health for Puerto Rico.

The Commonwealth of Puerto Rico is the largest of America's four territories, with a population of over 3,300,000. While Puerto Rico's standard of living is among the highest in Latin America, its people lag far behind even the poorest of the fifty states. Puerto Rico's per capita income is only $5157, less than one-half the $11,923 average for the mainland United States. Unemployment in Puerto Rico stands at 14 percent today.

Although Puerto Rico may seem a near neighbor, our island is actually 1000 miles from the U.S. mainland. The high cost of transportation makes much of what we buy more expensive than on the mainland. These higher costs hit hospitals in Puerto Rico especially hard. They must purchase nearly all medical equipment, supplies, devices and medicines from mainland distributors. Equipment repairs usually require expensive deliveries from the continental United States, resulting in long downtimes and lost productivity.

In addition, utility costs are higher in Puerto Rico than on the mainland. Hospitals in Puerto Rico must deal with these costs while trying to meet the desperate health care needs of a predominantly poor population. Our infant mortality rate is higher than for any of the fifty States. Childhood diseases now uncommon on the mainland, such as the measles, are still widespread in Puerto Rico.

Resources to meet our health care needs are in very short supply. Approximately 14 percent of the working age population is unemployed and therefore without the means to pay for hospital or even basic medical care.

Overall, of Puerto Rico's 3,300,000 citizens, nearly 2,300,000, or 68 percent, are considered medically indigent and must look to the government for their health care needs. The government's definition of medically indigent is very strict. For example, to receive coverage through the public health system, a family of five cannot have income above $8300 per year. If Puerto Rico applied the U.S. standard, 85 percent of its population would be considered medically indigent.

For the programs in the fifty States, the Federal Government has always matched State expenditures, with the Federal Medical Assistance Percentage (FMAP) for each State directly related to the State's per capita income. As a result, poorer States have always received more in Federal matching funds, and all States have seen Federal matching funds increase as State spending on medicaid has increased.

Puerto Rico's medicaid program is governed by a different set of rules. If Puerto Rico's medicaid program were treated like all other State programs, then the Federal matching rate would rise from less then 50 percent to 83 percent to reflect Puerto Rico's low per capita income. As a result, while the average Federal medicaid payment to the fifty States has risen 1636 percent between 1968 and 1989, Federal matching funds to Puerto Rico have risen only 281 percent over the same period.

Currently Federal matching funds to Puerto Rico's medicaid programs are capped at $79,000,000. In fact, over the last 25 years, the cap has been increased only six times. Although it is poorer than any of the fifty States and contains a much higher than average number of medicaid beneficiaries, Puerto Rico today still has a lower FMAP than any State and receives fewer Federal medicaid matching funds than almost any State. Indeed the gap has widened somewhat, as Puerto Rico now receives over 80 percent fewer Federal medicaid dollars than Mississippi.

The impact of inadequate Federal funding for Puerto Rico's medicaid program is difficult to quantify for several reasons. First, Puerto Rico lacks much of the health care data that most mainland States take for granted. The island has neither the collection resources nor the technology needed to maintain consistently reliable health care statistics. We lack the funds needed to make investments in paper work reporting and data requirements, especially given more pressing unmet patient care needs.

The people of Puerto Rico have gone to extraordinary lengths to make up for the Federal shortfalls in health care funding. Puerto Rico's public health program covers 2,100,000, or 64 percent, of its 3,300,000 people, with spending by Puerto Rico currently at $468,500,000.

The island's poor have suffered most from the commonwealth's inability to make up entirely for inadequate Federal medicaid funds. Puerto Rico's poor receive only $271.24 per capita in health care services. Overall per capita health care expenditures on the mainland are $1837.

Given such extremely low levels of funding, Puerto Rico is unable to provide access to even routine care for all its people. Expensive inpatient care is either delayed or unavailable for many. For example, cataract surgery is available to the medically indigent at only three of the island's hospitals. As a result, patients typically must wait over a year for this procedure.

Inadequate funding severely limits access to care in other ways. To stem the loss of nurses to mainland hospitals, Puerto Rican hospitals were forced to increase nursing salaries 76 percent between 1983 and 1989, with the fiscal year 1988–1989 increase alone averaging 19 percent.

Nevertheless, Puerto Rican nursing salaries still average only $12,000, far less than the $28,000 to $32,000 average in mainland hospitals, or even the $24,000 offered by the local VA hospital. Nurses continue to leave, and most hospitals are unable to afford further large salary increases. As a result, we are forced to close beds, both general and ICU, and ration acute care services.

As Congressman Pursell witnessed firsthand, one of our public hospitals often has over 100 patients in an emergency room holding area, waiting days for admission to the hospital. These delays are caused by bed closures, which in turn are directly attributable to too few nurses.

Thank you for hearing me.

Mr. MACHADO. The Puerto Rico Hospital Association represents 65 of the 75 hospitals in Puerto Rico. Our island's hospitals range in size from over 500 beds in San Juan to less than 30 beds in rural areas.

The result of chronic medicaid underfunding for Puerto Rico's people and its hospitals is compounded by the fact that the Medicare Prospective Payment system, which has governed hospital reimbursement on the island since 1987, also singles out Puerto Rico for special treatment.

PPS payments to Puerto Rican hospitals are based on only 25 percent of the national rate, with the remaining 75 percent based on a Puerto Rican regional standardized amount. As Exhibit 3 demonstrates, the Puerto Rican regional standardized amounts are as much as 38 percent lower than the comparable figure, resulting in lower per case payments under medicare.

The nonlabor portion of Puerto Rico's regional amount does not reflect the higher supply costs that the island's hospitals must bear compared to mainland hospitals. Costs for such items are higher in Puerto Rico since we must import a large proportion of them.

These inequities in medicare payment to Puerto Rico's hospitals have had a substantial negative impact on our hospitals' ability to survive and to provide accessible, high-quality care. Although the average medicare case mix index for Puerto Rican hospitals (1.12) is comparable to the mainland average, per case payments under medicaid and medicare are far lower.

According to the March 1, 1990, Prospective Payment Assessment Commission report to Congress, even non-teaching hospitals on the mainland, which receive far more substantial per case payments than Puerto Rican hospitals, have negative PPS margins. Puerto Rico's hospitals fare even worse and therefore are often forced to treat clinically similar patients using fewer resources than would be provided on the mainland.

Our hospitals also lack the options available to mainland hospitals for coping with such shortfalls. Many U.S. hospitals shift unreimbursed medicare and medicaid costs to private payors. Given that nearly seven in ten Puerto Ricans are poor, cost shifting is nearly impossible in Puerto Rico. As a result, in fiscal year 1988, Puerto Rico's private hospitals had negative total margins.

Under such conditions, quality of care is liable to suffer. Despite receiving fewer Federal dollars than most of the fifty states, Puerto Rican hospitals are still measured by the same quality standards that are applied to mainland hospitals. The large majority of Puerto Rico's hospitals are able nevertheless to meet medicare, medicaid and ICAHO standards.

There are signs, however, that conditions may be deteriorating. Of the 32 hospitals on the Health Care Financing Administration's list of high mortality hospitals for three years in a row, six are in Puerto Rico. Puerto Rico's hospitals, while accounting for less than 2 percent of all PPS hospitals, account for 19 percent of all hospitals on the high mortality list.

If current inadequacies in both medicaid and medicare funding continue, our hospitals will be unable to retain key personnel, outmoded equipment will not be replaced, new procedures will not be made available and physical plants will continue to deteriorate. Finally the list of high mortality hospitals is likely only to grow longer.

Recommendations. On behalf of the Puerto Rico Hospital Association, I offer several recommendations for improving the fairness of current Federal medicaid and medicare policy regarding Puerto Rico.

The expenditure cap on Federal matching payments for the Puerto Rico medicaid program should be eliminated. In addition, the statutory limit on the FMAP, which currently stands at 50 percent, should also be eliminated.

As a beginning, the current expenditure ceiling of $79,000,000 should be increased substantially and a commitment made to phase in equal access for the island's indigent population.

The current PPS rate for Puerto Rico, which is based on 75 percent of a regional amount and only 25 percent of a national amount, should be gradually adjusted to 100 percent mainland national rates. As a first step, the rate should be changed to a 50/50 blend of regional and national amounts.

The labor/nonlabor proportions in the Puerto Rico standardized amounts should be adjusted to better reflect the high nonlabor costs faced by the island's hospitals.

A special adjustment to the nonlabor portion, such as that used for hospitals in Alaska and Hawaii, should also be used for Puerto Rican hospitals. Such an adjustment would compensate Puerto Rican hospitals for their especially high nonlabor costs.

As the representative of Puerto Rico's hospital community, I have come to ask only that we be treated in the same manner financially as any other hospital. We are held accountable for maintaining the same standards of quality and should be afforded the same resources.

Mr. Chairman, thank you for allowing us the opportunity to testify before this committee. We welcome any questions you might have. Let me also extend an invitation to the committee's members to come to Puerto Rico to see for themselves the deficiencies under which our hospitals operate.

[The information follows:]

# Statement
of the
Puerto Rico Hospital Association
before the
Subcommittee on Labor, HHS and Education
of the
Appropriations Committee
of the
United States House of Representatives
on
Fiscal Year 1991 Budget Issues Relating to
Federal Funding of the Puerto Rico Medicaid Program

Copy

## INTRODUCTION - Dr. Richard Machado

Mr. Chairman, my name is Dr. Richard Machado, President-elect of the Puerto Rico Hospital Association and Director of the Hermanos Melendez Hospital in San Juan. With me today at the invitation of the Puerto Rico Hospital Association is Jose Soler-Zapata, Secretary of Health of the Commonwealth of Puerto Rico and Senator Miguel Hernandez, President of the Senate of the Commonwealth.

We have come before this committee to inform you of the rapidly deteriorating situation we face on our island due to the severe underfunding of health care services, in particular the lack of federal support through the Medicare and Medicaid programs. We will share with you evidence of the growing inequities between Puerto Rico and the mainland, as well as the results in both human and financial terms.

## Puerto Rico's Unique Situation

### The Island's Economy and High Nonlabor Costs

The Commonwealth of Puerto Rico is the largest of the America's four territories, with a population of over 3.3 million. We have as many people as South Carolina or Connecticut. Although in recent years manufacturing employment has grown on the island, tourism and agriculture remain mainstays of the economy. While Puerto Rico's standard of living is among the highest in Latin America, its people lag far behind even the poorest of the fifty states. Puerto Rico's per capita income is only $5,157, less than one-half the $11,923 average for the mainland United States, and less than one-third the $8,088 per capita income for Mississipi, the lowest of the fifty states. Unemployment in Puerto Rico, which ranged from 18 percent to 21 percent for much of the 1980s, still stands at 14 percent today.

We must rely heavily on imports. Although Puerto Rico may seem a near neighbor, our island is actually 1,000 miles from the U. S. mainland. The high cost of transportation, coupled with excise taxes that range from 6 percent to nearly 20 percent, makes much of what we buy more expensive than on the mainland. In 1987, for example, a gallon of premium gasoline cost $1.50 in Puerto Rico vs. only $.99 in New Jersey. A $20,000 van made in the United States might cost a hospital in

Puerto Rico more than $48,000. In recognition of the fact that the cost of living is exceptionally high in Puerto Rico, the U.S. Office of Personnel Management gives federal employees on the island a 10 percent cost of living adjustment, not subject to federal taxes.

These higher costs hit hospitals in Puerto Rico especially hard. They must purchase nearly all medical equipment, supplies, devices and medicines from mainland distributors. Equipment repairs usually require expensive deliveries from the continental United States, resulting in long down times and lost productivity. In addition, utility costs are higher in Puerto Rico than on the mainland, and hospitals along with other large consumers pay even higher rates due to the island's rate structure.

### Large Majority of Population Medically Indigent

Hospitals in Puerto Rico must deal with these costs while trying to meet the desparate healthcare needs of a predominantly poor population. Our infant mortality rate is 13.7 per 1,000 live births, higher than for any of the fifty states. Childhood diseases now uncommon on the mainland, such as the measles, are still widespread in Puerto Rico. Finally, according to the 1989 *Health, United States* report just issued by the Secretary of Health and Human Services, average life expectancy at birth in Puerto Rico was only 70.2 for men and 77.2 for women, a decline from 1981 levels of 70.8 and 77.7. Average life expectancies for men and women in the U.S. rose over the same period.

Resources to meet our healthcare needs are in very short supply. As I mentioned previously, approximately 14 percent of the working age population is unemployed and therefore without the means to pay for hospital or even basic medical care. In addition, unlike on the mainland, employer-based health insurance is not a primary means of payment in Puerto Rico, as few private employers provide health insurance to employees. Those private plans that do exist often do not provide coverage for certain expensive treatments.

Overall, of Puerto Rico's 3.3 million citizens, nearly 2.3 million, or 68 percent, are considered medically indigent and must look to the government for their health care needs. The government's definition of medically indigent is very strict. For example, to receive coverage through the public health system, a family of five cannot have income above $8,300 per year. If Puerto Rico applied the U. S. standard, 85 percent of its population would be considered medically indigent. Among those states with the highest proportion of medically indigent to total population, the figure ranges only from 20 to 25 percent. As you might expect, much of the indigent care burden in Puerto Rico falls directly on the hospital community.

### The Medicaid and Medicare Programs in Puerto Rico

Inadequate Federal Medicaid Matching Funds

With this background in mind I would like to address the major reason for our having come before this commitee today, namely the inadequate federal matching funds provided to Puerto Rico's Medicaid program. This failure to provide adequately for Puerto Rican Medicaid recipients and the hospitals that provide care for them results from a federal policy that treats Puerto Rico differently from the fifty states. According to a Congressional Budget Office report, if Puerto Rico's Medicaid program were treated like all other states' programs, then the federal matching rate would rise from less than 50 percent to 83 percent to reflect Puerto Rico's extremely low per capita income. The CBO estimates that actual federal payments to Puerto Rico would increase more than ten times by FY 1992 as Puerto Rico increased the supply of services and enhanced provider reimbursement.

For the programs in the fifty states, the federal government has always matched state expenditures, with the Federal Medical Assistance Percentage (FMAP) for each state directly related to the state's per capita income. The FMAP is the federal government's share of a state's total Medicaid spending, with a higher matching rate provided for states with lower per capita incomes. As a result, poorer states have always received more in federal matching funds, and all states have seen federal matching funds increase as state spending on Medicaid has increased.

Puerto Rico's Medicaid program is governed by a different set of rules. Limits on the FMAP and arbitrary caps on federal matching funds have been applied to the Puerto Rican Medicaid program since that program's inception. As a result, while the average federal medicaid payment to the fifty states has risen 1,636 percent between 1968 and 1989, federal matching funds to Puerto Rico have risen only 281 percent over the same period (Exhibit 1).

Exhibit 2 compares FY 1986 Medicaid payments to Puerto Rico with those to Mississipi, the state with the lowest per capita income and therefore the highest FMAP, and with the average for all fifty states. The results of years of providing little or no increases in federal matching funds to Puerto Rico are clearly evident. Despite a per capita income more than one-third less than that of Mississippi and despite spending more on its Medicaid program than did that state, Puerto Rico received over 75 percent fewer federal Medicaid dollars than did Missisippi. At the time, Puerto Rico also had over five times as many Medicaid beneficiaries. Perhaps more telling, the federal share of Medicaid expenditures in Puerto Rico were lower even than that of states with the highest per capita incomes, such as Michigan.

The situation has not improved since 1986. Currently federal matching funds to Puerto Rico's Medicaid program are capped at $79 million. In fact over the last 25 years, the cap has been increased only six times. Although it is poorer than any of the fifty states and contains a much higher than average number of Medicaid beneficiaries, Puerto Rico today still has a lower FMAP than any state and receives fewer federal Medicaid matching funds than almost any state. Indeed the gap has widened somewhat, as Puerto Rico now receives over 80 percent fewer federal Medicaid dollars than Mississipi.

## Puerto Rico's Efforts To Cover Federal Shortfalls

The impact of inadequate federal funding for Puerto Rico's Medicaid program is difficult to quantify for several reasons. First, Puerto Rico lacks much of the health care data that most mainland states take for granted. The island has neither the collection resources nor the technology needed to maintain consistently reliable health care statistics. We lack the funds needed to make investments in paper work reporting and data requirements, especially given more pressing unmet patient care needs.

More important, the people of Puerto Rico have gone to extraordinary lengths to make up for the federal shortfalls in health care funding. Puerto Rico's public health program covers 2.1 million, or 64%, of its 3.3 million people. As Exhibit 5 shows, spending on the health care needs of the poor by the island's Health Facilities and Services Administration more than doubled over the past decade.

with spending currently at $468.5 million. In a November 1989 report, the Congressional Budget Office estimated that Puerto Rico would be required to supply only $184 million in matching money if its Medicaid program were treated like those ~~on the mainland.~~ Clearly Puerto Rican expenditures have gone far beyond what would be required of any of the fifty states.

## Medicaid and Lack of Access for the Poor

Despite its best efforts, however, Puerto Rico and its hospitals have been unable to meet the commonwealth's health care needs, especially given inadequate levels of federal assistance. Rapid growth in the Puerto Rican government's expenditures on health care have merely permitted our island to keep up with inflation and population growth (Exhibit 6). Government spending on health care actually fell from $42.58 per capita in 1972 to only $42.37 in 1989, measured in constant dollars.

The island's poor have suffered most from the commonwealth's inability to make up entirely for inadequate federal Medicaid funds. Puerto Rico's poor receive only $271. 24 per capita in health care services, while the minority of those with private insurance spend $1,016 per capita. Overall per capita health care expenditures in Puerto Rico are only $544, compared to $1,837 in the United States.

Given such extremely low levels of funding, Puerto Rico is unable to provide access to even routine care for all its people. Expensive inpatient care is either delayed or unavailable for many. For example, cataract surgery is available to the medically indigent at only three of the island's hospitals. As a result, patients typically must wait over a year for this procedure. Many other procedures have long waiting lists as well. In fact treatments that are readily available on the mainland are beyond the reach of most Puerto Ricans. For example, only those able to pay for treatment at mainland hospitals have access to some coronary procedures.

Inadequate funding severely limits access to care in other ways. To stem the loss of nurses to mainland hospitals, Puerto Rican hospitals were forced to increase nursing salaries 76 percent between 1983 and 1989, with the FY 1988-1989 increase alone averaging 19 percent. Nevertheless, Puerto Rican nursing salaries still average only $12,000, far less than the $28,000 to $32,000 average in mainland hospitals, or even the $24,000 offered by the local VA hospital. Nurses continue to leave, and most hospitals are unable to afford further large salary increases.

As a result, we are forced to close beds and ration acute care services. As Congressman Purcell witnessed firsthand, one of our public hospitals often has over one hundred patients in an emergency room holding area, waiting days for admission to the hospital. These delays are caused by bed closures, which in turn are directly attributable to too few nurses. In addition to closing general med/surg beds, our hospitals must close intensive care beds as well.

Medicare and Lack of Payment Parity

Mr. Chairman, my name is Dr. Richard Machado, president-elect of the Puerto Rico Hospital Association. I am also the director of Hermanos Melendez Hospital, a 203-bed hospital in San Juan.

The Puerto Rico Hospital Association represents 65 of the 75 hospitals in Puerto Rico. Our island's hospitals range in size from over 500 beds in San Juan to less than 30 beds in rural areas. Many of our hospitals are concentrated in the San Juan area. We have both for-profit and not-for-profit hospitals, including eleven government-owned facilities.

The result of chronic Medicaid underfunding for Puerto Rico's people and its hospitals is compounded by the fact that the Medicare Prospective Payment system, which has governed hospital reimbursement on the island since 1987, also singles out Puerto Rico for special treatment. Although this committee does not have jurisdiction over the Medicare program, mention of two current inequities with regard to Puerto Rico is necessary to fully understand our hospitals' precarious financial situation.

First, unlike the vast majority of hospitals on the mainland, which are reimbursed based entirely on national standardized amounts, PPS payments to Puerto Rican hospitals are based on only 25 percent of the national rate, with the remaining 75 percent based on a Puerto Rican regional standardized amount. As Exhibit 3 demonstrates, the Puerto Rican regional standardized amounts are as much as 38% lower than the comparable national figure, resulting in lower per case payments under Medicare. According to Health Care Financing Administration estimates, Puerto Rico has the lowest average payment per case of all 10 PPS regions.

Second, the nonlabor portion of the Puerto Rican regional standardized amount accounts for only 15% of the total amount, whereas in the mainland national standardized amount the nonlabor amount is 25% of the total. The nonlabor portion of Puerto Rico's regional amount does not reflect the higher supply costs that the island's hospitals must bear compared to mainland hospitals. The nonlabor portion is meant to reimburse hospitals for medical supplies, devices, minor equipment, food and so forth. Costs for such items are higher in Puerto Rico since we must import a large proportion of them. Therefore it is critical that the actual percentage of nonlabor items in our hospitals' budgets be reflected accurately in our Medicare standardized amounts.

Unfortunately this is not the case. HHS concedes that the Puerto Rican standardized amounts were based on cost data from only a handful of hospitals. An analysis of all 57 hospitals in Puerto Rico demonstrates that the actual distribution of costs between labor and nonlabor portions is approximately 50:50 (Exhibit 4). This actual distribution is not reflected accurately in the current Puerto Rican regional standardized amount, thus reducing federal Medicare payments.

## Financial Impact of Inadequate Payment on Puerto Rico's Hospitals

These inequities in Medicare payment to Puerto Rico's hospitals have had a substantial negative impact on our hospitals' ability to survive and to provide accessible, high-quality care. Although the average Medicare case mix index for Puerto Rican hospitals (1.12) is comparable to the mainland average, per case payments under Medicaid and Medicare are far lower. A hospital in Houston, Texas receives $19,000 in Medicare payments for a coronary bypass with cardiac catheterization. A Puerto Rican hospital would receive only $9,800.

According to the March 1, 1990 Prospective Payment Assessment Commission report to Congress, even non-teaching hospitals on the mainland, which receive far more substantial per case payments than Puerto Rican hospitals, have negative PPS margins. Puerto Rico's hospitals fare even worse and therefore are often forced to treat clinically similar patients using fewer resources than would be provided on the mainland.

Not only are Medicare and Medicaid payments much more inadequate in Puerto Rico, our hospitals also lack the options available to mainland hospitals for coping with such shortfalls. In the United States, many hospitals shift unreimbursed Medicare and Medicaid costs to private payors. Given that nearly seven in ten Puerto Ricans are poor, cost shifting is nearly impossible in Puerto Rico. As a result, in FY 1988, Puerto Rico's private hospitals had negative totatl margins. Maintaining current levels of care under such financial pressures is extraordinarily difficult, acquiring new technology and improving care nearly impossible.

## Impact on Hospital Quality of Care

Under such conditions, quality of care is liable to suffer. Despite receiving fewer federal dollars than most of the fifty states, Puerto Rican hospitals are still measured by the same quality standards that are applied to mainland hospitals. The large majority of Puerto Rico's hospitals are able nevertheless to meet Medicare, Medicaid and JCAHO standards.

There are signs, however, that conditions may be deteriorating. Of the 32 hospitals on the Health Care Financing Administration's list of high mortality hospitals for three years in a row, six are in Puerto Rico. Puerto Rico's hospitals, while accounting for less than 2 percent of all PPS hospitals, account for 19 percent of all hospitals on the high mortality list. If current inadequacies in both Medicaid and Medicare funding continue, our hospitals will be unable to retain key personnel, outmoded equipment will not be replaced, new procedures will not be made available and physical plants will continue to deteriorate. Finally the list of high mortality hospitals is likely only to grow longer.

## Recommendations for Improving Federal Health Care Funding to Puerto Rico

On behalf of the Puerto Rico Hospital Association, I offer several recommendations for improving the fairness of current federal Medicaid policy regarding Puerto Rico. In addition I would like to offer several recommendations for eliminating inequities in the application of the Medicare PPS system to the island, which I hope this committee may forward to your colleagues on the House Ways and Means Subcommittee on Health.

Medicaid

The expenditure cap on federal matching payments for the Puerto Rican Medicaid program should be eliminated. In addition, the statutory limit on the FMAP, which currently stands at 50 percent, should also be eliminated. Instead federal payments should be based entirely on the statutory formula currently applied to the Medicaid programs of the fifty states. This would boost Puerto Rico's FMAP to 83 percent, which is the highest permitted under the statute for any state. Any such change may be adjusted to accomodate the competing demands of overall deficit reduction. As a beginning, the current expenditure ceiling of $79 million should be increased substantially and a committment made to phase in equal access for the island's indigent population.

Medicare

The current PPS rate for Puerto Rico, which is based on 75 percent of a regional amount and only 25 percent of a national amount, should be gradually adjusted to 100% mainland national rates. As a first step, the rate should be changed to a 50:50 blend of regional and national amounts. This would increase average per case payments in Puerto Rico by $140 for urban hospitals and over $200 for rural hospitals.

In addition, the labor/nonlabor proportions in the Puerto Rico standardized amounts should be adjusted to better reflect the high nonlabor costs faced by the island's hospitals. Mainland hospitals' nonlabor portion is 25 percent of the total amount. Despite having the same cost structure, Puerto Rico's hospitals receive a 15 percent nonlabor portion. Creating parity with the other Medicare PPS hospitals would increase average per case payments in Puerto Rico by $250 for urban hospitals and $180 for rural hospitals.

A special adjustment to the nonlabor portion, such as that used for hospitals in Alaska and Hawaii, should also be used for Puerto Rican hospitals. Such an adjustment would compensate Puerto Rican hospitals for their especially high nonlabor costs. If a comparable adjustment factor were applied to

Puerto Rico, average per case payments would increase $120 for urban hospitals and $100 for rural hospitals. These changes also could be accomplished gradually, with consideration given the current budget deficit.

These recommendations would require simple changes to the PPS system in Puerto Rico. The total additional cost to the Medicare program would be minor, but the total additional payments would represent substantial amounts to the island's hospitals. If each of these recommendations were implemented, then Puerto Rican hospitals would receive an average of $500 more per case for each Medicare discharge. The average per case payment would still remain below that of mainland hospitals.

### Conclusion

Puerto Rico's hospitals have made a unique request before this committee today, a request that is best viewed in light of what other providers have asked for before us. Over the past several months and indeed years, health care providers in the fifty states have come before Congress to illustrate that inadequate Medicaid and Medicare payments were bankrupting the industry. Hospitals would close and quality would suffer, they said, if Congress did not improve funding for these programs.

As the representative of Puerto Rico's hospital community, I have come to ask only that we be treated in the same manner financially as any other hospital, no matter how unfair such treatment may seem. We are held accountable for maintaining the same standards of quality and should be afforded the same resources. This committee is unlikley to find any other hospital under the Medicare or Medicaid programs willing to cheerfully accept the going rates.

Mr. Chairman, thank you for allowing us the opportunity to testify before this committee. We welcome any questions you might have. Let me also extend an invitation to the committee's members to come to Puerto Rico to see for themselves the difficult circumstances under which our hospitals operate.

EXHIBIT 1

## Federal Medicaid Payments to States
## Puerto Rico vs. Average State

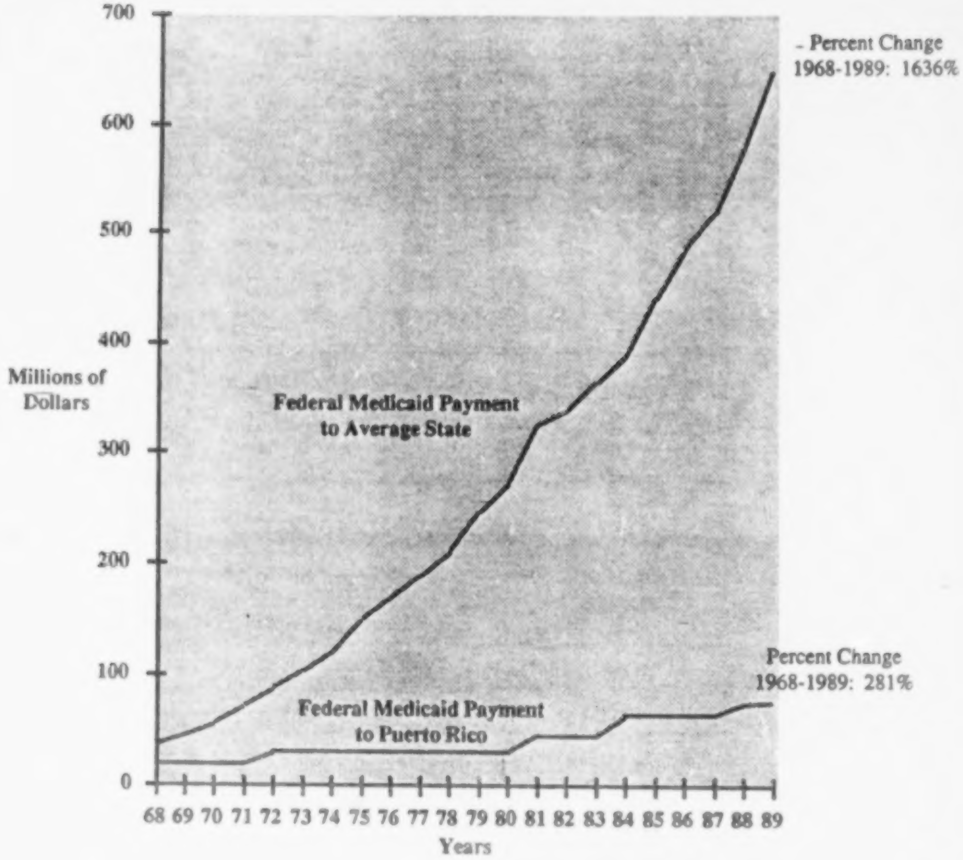


EXHIBIT 2

## Puerto Rico and Medicaid: A State Comparison

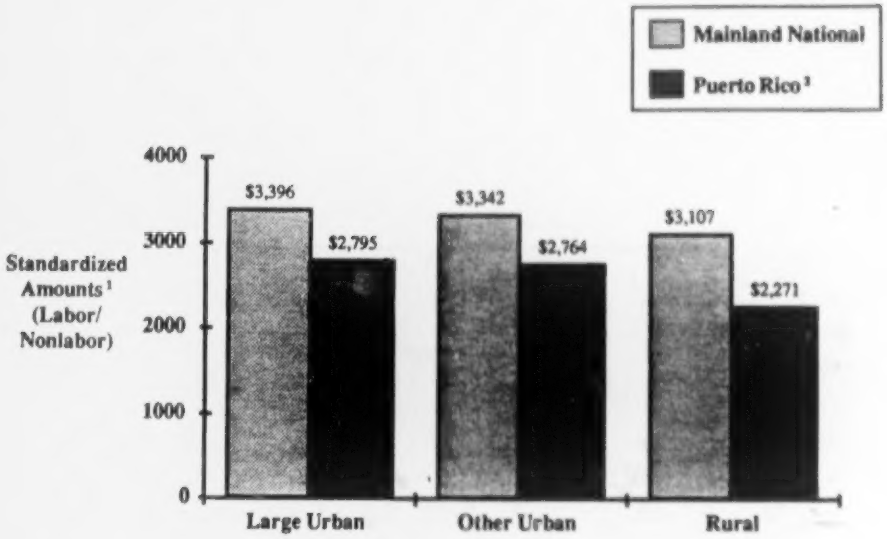
| | Puerto Rico | Mississippi | Michigan | Average State [1] |
|---|---|---|---|---|
| **Per Capita [2] Income** | $5,157 | $8,088 | $11,973 | $11,923 |
| **Medicaid Beneficiaries** | 1,761,833 | 318,871 | 1,119,724 | 1,023,530 |
| **Total Medicaid Expenditures** | $146.6 million | $348.6 million | $1.87 billion | $794 million |
| **State Medicaid Expenditures** | $83.2 million | $77.4 million | $798.8 million | $349.4 million |
| **FMAP** | 50% | 78.42% | 56.79% | 59.3% |
| **Actual Federal Proportion of Total Expenditure** | 43% | 77.8% | 57.3% | 56% |
| **Medicaid Payment per Beneficiary [3]** | $86 | $816 | $1,017 | $1,300 |

[1] Some figures include territories, in addition to states
[2] State figures are for 1987; Puerto Rico's figure is for 1988
[3] Categorically needy beneficiaries receiving SSI or AFDC

[illegible]
[illegible]

EXHIBIT 3

## PPS Rates
## Puerto Rico vs. U.S. Mainland



1 Using a wage index and case mix index of 1.00 for both the mainland and Puerto Rico

2 Overall, Puerto Rico rate composed of 75% regional amount and 25% Puerto Rico national amount

EXHIBIT 4

## Labor/Nonlabor Distribution of PPS Standard Amounts Puerto Rico vs. U.S. Mainland

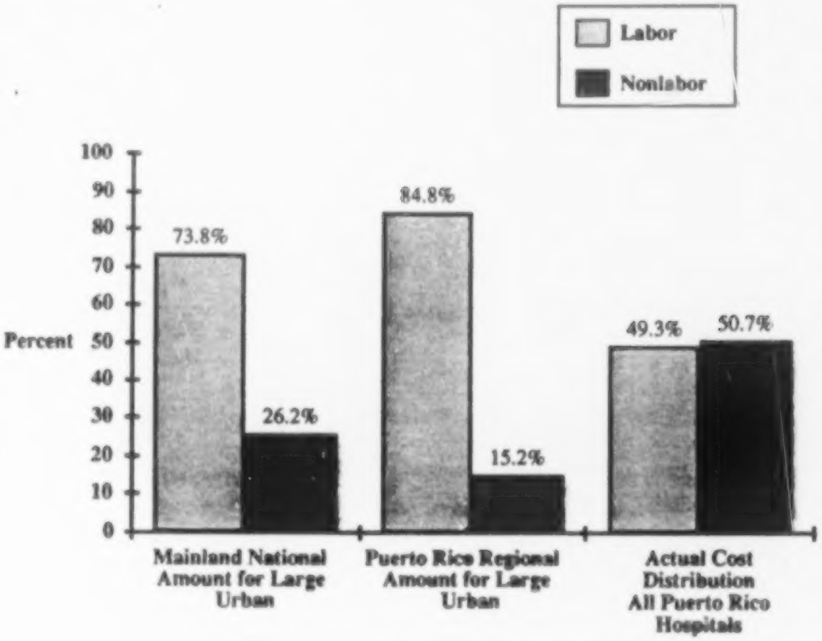
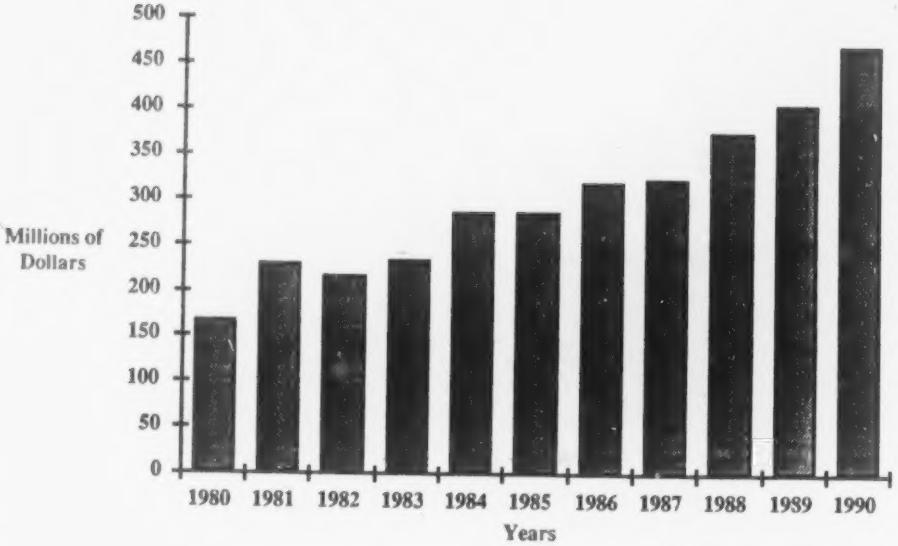


EXHIBIT 5

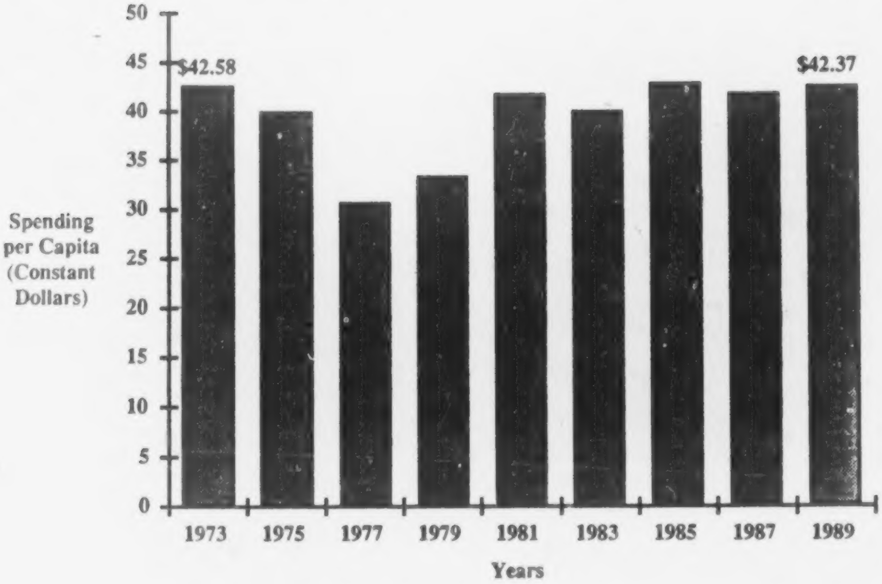
## Puerto Rico Government Health Care Expenditures



[illegible]

EXHIBIT 6

**Puerto Rico Government Health Expenditures Per Capita [1]**



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1 Includes federal funds

Mr. NATCHER. Thank you very much. Now we will hear from the President of the Senate of Puerto Rico, Senator Hernandez-Agosto. We are delighted to have you with us.

Mr. AGOSTO. Thank you, Mr. Chairman.

I have already submitted a written statement. I will make a few extemporaneous remarks.

First, health care services in Puerto Rico have been operating under very serious budgetary constraints for the last eight or 10 years. The deficit has been incurred over the years. A loan has been made to cover that deficit. To pay for that loan, the government has appropriated in this fiscal year some $30,000,000 for the next fiscal year. The government revenues for fiscal year 1991 are estimated to increase only $108,000,000.

Of these, $21,000,000 will be appropriated, additional money appropriated to the health care system. That will not be enough to cover the increased need to pay for the loan.

So you can see that further reductions in operating costs will have to be made in the health care system of Puerto Rico. That means that the prospects of a reduction in services is very real. Any reduction in services will affect those people who really cannot afford to pay for health care services.

So this is very important, to address the inequities in the appropriations for medicare and medicaid problems in Puerto Rico. I understand there are two areas which deserve attention; first the disbursement procedure and formula under PPSDIG, which you have heard about about, second, the deductibles in the range of $560 means in Puerto Rico that a beneficiary will have to pay for 2½ days according to the per diem in Puerto Rico, which is $228, while in the states they have to pay for only one day.

This is an inequity that needs to be addressed. I know that you have more detailed information and statistics that relate to these programs.

I appreciate the opportunity to appear before you to give our impressions and ideas in relation to this very important issue.

[The information follows:]

STATEMENT OF THE

HONORABLE MIGUEL A. HERNANDEZ AGOSTO

PRESIDENT OF THE SENATE

COMMONWEALTH OF PUERTO RICO

BEFORE

THE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,

EDUCATION AND RELATED AGENCIES

HOUSE COMMITTEE ON APPROPRIATIONS

APRIL 30, 1990

Mr. Chairman and distinguished Members of the Subcommittee. My name is Miguel A. Hernández-Agosto and I am the President of the Senate of the Commonwealth of Puerto Rico.

I appreciate very much the opportunity to comment on certain critical issues related to Medicaid and Medicare Programs in Puerto Rico. On behalf of the Senate of Puerto Rico, I thank you sincerely for your concern for the health care needs of our citizens.

Since the year 1965 the Medicaid and Medicare Programs have been major contributors to the health care system of Puerto Rico. The implementation of these two programs has been an issue of great concern for all sectors in the Health Care Industry on the Island. It is our goal that these programs be appropriate and equitable to Puerto Rico and at the same time, compatible with the United States experience.

Throughout the years many attempts have been made to address those particular situations that have constrained a fair treatment for Puerto Rico.

Puerto Rico deserves serious consideration to its unique situation, its excellent performance of low operational costs, its high level of quality of services, while working with higher inflation, higher cost of living, and a depressed economy.

Federal participation in the health care system of Puerto Rico greatly increased in 1966 with the event of the Medical Assistance Program, Title XIX and the Medicare Program, and Title XVIII of the Social Security Act. Puerto Rico has participated in both programs since the statutes were first made effective, embracing them after a long standing tradition of free health care to the indigents that dates back to the Spanish heritage.

In relation to the Medicare Programs, through all these years the providers have shown a clear and efficient way to curb costs while being affected by the same regulations as the fifty states.

Hospital providers and Medicare beneficiaries in Puerto Rico participate in the program on an equal basis, thus being entitled to the same standards, same benefits and same rate of contribution in the Social Security tax, paid by all employees--employers. Puerto Rico as individuals contribute to the Social Security system on a par basis with other U.S. citizens and have deductibles applied at the same level as in other states.

Our hospitals have sustained undue pressure having to operate and to comply with the same requirements on the mainland to qualify for reimbursement.

The deductibles determined at the beginning of each calendar year by the Medicare Program is much higher than the average daily cost in Puerto Rico and much more so than in public hospitals.

The current deductible of $560 is too high for the beneficiary in Puerto Rico to pay, since the average per diem in Puerto Rico is $228. By mandating the same deductible in Puerto Rico as nationally a Medicare beneficiary in our Island is required to pay for the first 2.5 days of care before Medicare coverage begins. This is considered unfair since nationally the deductible approximates one day of care. The current system, in essence results in a subsidization of Medicare beneficiaries in the 50 states by Puerto Rico beneficiaries who pay the same amounts into the system but take lesser amounts out of the system in the form of cost reimbursement.

It is recommended that the deductible should be linked to the cost of a daily hospital stay in Puerto Rico, not the 50 states.

Another important issue in relation to the Medicare Program is the implementation of the PPS/DRG in Puerto Rico, effective October 1, 1987.

The determination of a blended rate equal to 25 percent of the Federal rate and 75 percent of the local Puerto Rican rate, provided by section 9304 of the Omnibus Budget Reconciliation Act of 1986, Public Law 99-500 is one of the main areas of controversy (See Annex 1).

The analysis of the impact of the PPS/DRG during its first year reveals:

-Net payments to hospitals in Puerto Rico under PPS/DRG were $116,895,000 which represent 65% of the total payments made for FY 1988.

(Out of the 73 hospitals on the Island 59 institutions are reimbursed under PPS/DRG. Twelve hospitals are operated by the Commonwealth Government and 47 by private institutions).

-Puerto Rico has the lowest average payment per case in all 10 regions. These average payments in Puerto Rico are as follows:1/

| | FY 1988 | FY 1989 |
|---|---|---|
| Urban Hospital | $ 1,824 | $ 1,858 |
| Rural Hospital | 1,287 | 1,305 |

If we compare, for example, the situation of our urban hospitals with the urban East South Central Region, that receives the lowest payment per case, a ratio of 2.23 to 1 can be observed (South Central Region: $4,144; Puerto Rico: $1,858). (See Annex 2).

Considering the significantly smaller number of cases in Puerto Rico compared to the United States, studies performed have shown that the occurrence rate of the various DRG's in Puerto Rico is very similar to the United States. It appears that the types of Medicare cases which occur in Puerto Rico are not dissimilar to those in the United States. In the United States, 90 percent of the Medicare cases fall within 170 DRG's. This compares to Puerto Rico where 90 percent of Medicare cases are concentrated in 135 DRG's. (Annex 3 lists the 25 most frequently occurring DRG's in Puerto Rico. Of these DRG's, 22 also fall within the top 25 for U.S. hospitals).

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1/ As published in the Federal Register Vol. No. 190 September 30, 1988, page 38632.

In regard to the operation of the Medicaid Program in Puerto Rico, it has operated in a unique form as compared with the program on the mainland. This uniqueness is exemplified by two dispositions of the federal law: First of all, the law establishes a limit of the aggregate annual amount of federal financial participation. And second, it does not allow recipients freedom of choice of providers.

When Congress established the Medical Assistance Program in 1965, Puerto Rico was included on parity with the States, except for the matching formula applied to the Island which was 55 percent (55%), or nearly the same applied to the highest per capita income states. Had not special provision been inserted, Puerto Rico would have been eligible for 83% federal matching.

In 1968 Congress established an annual ceiling of $20 million for the federal medical assistance programs in Puerto Rico. P.L. 90-248 also lowered the federal share from 55 percent to 50 percent. In 1972 Congress raised the ceiling to $30 million. This ceiling was in force until fiscal year 1982 when Congress raised it to $45 million. In the year 1988-89 this ceiling was raised to $76.2 million, and it is estimated that it will be raised to $79.8 in 1989-90 (Annex 4).

Inequity has been observed ever since the Medicaid Program was established. For example, in the year 1979, approximately 21.5 million persons on the national level received Medicaid benefits at an average federal cost of $529 per capita. In contrast, during fiscal year 1982-83, Puerto Rico received $45 million annually to provide care to 1.3 million eligibles, at a per capital cost of $35.

During fiscal year 1979, Puerto Rico was ranked number 39 within all jurisdictions, in terms of payments received for Medicaid beneficiaries.

On the other hand, during the same fiscal year Puerto Rico was ranked third after California and New York in terms of the number of recipients in all jurisdictions (1.4 million in Puerto Rico; 3.4 million in California and; 2.4 million in New York). Puerto Rico overall payment in 1979 was $30 million while California and New York received $1,294 and $1,754 billion respectively.

Title XIX of the Social Security Act as it applies to Puerto Rico, does not entirely fulfill the legislative intention of helping low-income families in the nation to avail themselves of high quality medical care on an equal basis with those who can afford to pay for it.

The constraints imposed by the statutory limitation of funds, and the requirements of compliance to a full range of legislative and administrative standards for the use of funds as the apply to the States, are the key factors that limit the full development of the Program in Puerto Rico. The fiscal restraints also limited providers of services participation to the public facilities operated by State and municipal governments. The Medicaid Program has to provide the same services to clients as required from the States despite the statutory financial limitation to the Island and sharply contrasting the program's philosophy applied to other states.

Systems should move toward a non-discriminatory policy in the national health scene. It is important that both programs be appropriate; and equitable to Puerto Rico and compatible with the United States experience.

There is an obvious and urgent need for revision of the pertinent federal legislation and regulation in order to alleviate the major financial burdens and inequities imposed over Puerto Rico. This revision implies:

1. An adjustment to the blended payment rate for Puerto Rico's Medicine Program.
2. An exception to the national medicare deductible based on the average cost per day in Puerto Rico hospitals.
3. Revision of legislation leading toward an equitable reimbursement formula for Puerto Rico for both Medicaid and Medicare Programs.

The additional revenue generated by these adjustments will enable Puerto Rico to enhance the coverage and quality of the health services on the Island.

I am certain that Congress and the Federal Government are already aware of this particular situation of Puerto Rico, as stated in the report submitted by Willian Toby, Jr., Regional Administration of Region II about Medicare Performance Standards for Puerto Rico; in 1987:

"Our two decades of experience in working with Puerto Rico's Medicare contractors have shown that there are unique factors in Puerto Rico that render HCFA's cost performance expectations, as nationally formulated, effectively inoperable in Puerto Rico. Therefore, Central office should direct the development and application of separate budgetary and performance standards for contractors in Puerto Rico."

"To hold island-based contractors to the same performance and standards as stateside contractors is non-productive and has been proven year after year."

Mr. Chairman, Members of the Subcommittee, I thank you very much for your time and consideration.

Mr. NATCHER. Thank you very much. Congressman Fuster, we want to thank you and your three associates for appearing before our committee at this time. This has been a good discussion. It was an excellent presentation.

Congressman, you served as dean of the law school in Puerto Rico. You are serving with dignity and honor now in the Congress. We are glad to have you.

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MONDAY, APRIL 30, 1990.

## FINANCIAL ASSISTANCE PROGRAMS

### WITNESS

### ROBERT RUE PARSONAGE, PRESIDENT, NORTHLAND COLLEGE, WISCONSIN

Mr. NATCHER. Our next witness is Robert Parsonage.

Mr. PARSONAGE. I am Robert Parsonage, President of Northland College, a northern outpost represented by your colleague, Mr. Obey.

I appreciate the opportunity to testify on fiscal year 1991 appropriations for the Department of Education on behalf of Northland and the National Association of Independent Colleges and Universities (NAICU). NAICU represents approximately 850 independent colleges and universities, including major research institutions, faith-related colleges, liberal arts colleges, historically black colleges and universities, two-year junior colleges, and specialized colleges of various types.

Northland has been serving students since 1892. With a small student body, Northland enrolls students from 42 different states. Clearly, to enroll at Northland is a conscious choice made by these students, a choice that often requires family financial sacrifice to make it a reality. Thirty-six percent of dependent students enrolling at Northland during the 1989–1990 academic year came from households with family incomes less than $25,000. Only 15 percent of dependent students enrolling this year had incomes greater than $50,000.

We understand the concerns that have been expressed by the functioning of financial assistance programs, but we believe the increases we request are justified. In an effort to maintain access to independent higher education for qualified students from all walks of life and to maintain campus ethnic and socioeconomic diversity, independent institutions increased their institutional grant assistance on a massive scale in the 1980's.

Between 1980 and 1987, undergraduate institutional assistance at independent colleges increased by 84 percent in constant dollars. By 1987 these schools were providing just under $2,000,000,000 annually in grant assistance to undergraduates, far more than their students reserved through Federal programs.

In 1980, 10 percent of all educational and general expenditures at independent colleges were devoted to undergraduate student financial assistance. This number has increased to 14 percent just seven years later on budgets that were already pinched on a variety of fronts.

This effort to ensure access to a broad range of students, therefore, has come at a price. It has often led to strained college budgets and to tuition increases.

Many of the unfortunate general student aid trends that have taken place in the 1980's have hit home at Northland. In 1980, for example, the maximum Pell Grant covered more than half of our tuition and fees. For the upcoming award year, that figure will have dropped to 31 percent.

The campus-based funds that we have received have not come close to meeting the needs generated by increased enrollments and costs.

Both annual college work study and Perkins Loan allocations have dropped substantially over the past years. The former by more than $10,000 to only $79,000. The latter by more than $8,000 to $47,000. Our supplemental educational opportunity grant allocation has increased from slightly more than $60,000 to $93,000, but that is insufficient to cover the huge remaining need that our students, particularly dependent students, have for grant funds.

To try to pick up the slack created by the dropoff in federal support, Northland College has significantly increased its institutional awards. In just the past six years the maximum combined institutional grants have increased from $2,700 to $4,350.

Over the last five years, our aggregate institutional assistance has jumped from $847,244 to $1,781,600—more than 110 percent—even though our full-time enrollments have gone up by only 162 students, just 31 percent. This has not been easy for Northland.

We are seriously concerned about how long we can continue on this path.

The guiding principle of NAICU's fiscal year 1991 request is to provide college students—especially young, dependent college students—with more grant funds.

This is the only way that more minority and disadvantaged students can be encouraged to attend colleges and universities, and the growing reliance on loans can be curtailed. Despite higher reliance on loans by Northland students, Northland's default rates 4.0 percent.

In this context, let me discuss NAICU's proposal to double the appropriation for the SEOG program to $900,000,000 from the current $459,000,000.

The statutory language for the program requires that priority for these awards be given to exceptionally needy students and Pell Grant recipients.

Also, SEOG funds tend to be awarded to dependent students enrolled in college. For example, in 1987-1988, two-thirds of Pell Grant funds will be awarded to independent students. We believe that an emphasis on helping dependent college students is entirely appropriate at this point, and SEOG is the program that most efficiently achieves that goal.

At Northland, we feel we do a good job in educating students and offering students the support and individual attention that allows them to succeed. For a first-generation college student in reduced economic circumstances who is motivated to obtain a higher education, we feel strongly that we offer a better opportunity for that student than a large commuter campus that he or she may be forced to choose based on cost alone. Without increased federal grant support for high-need, minority and first-generation students, we believe that their successful participation at Northland, which is so important to them and to us, must decline. And SEOG is the most effective way of providing this support.

We also request that the Pell Grant maximum be increased to at least $2,500 from the present $2,300. This would send a healthy signal to collegiate aspirants and ease financing difficulties for those already in attendance.

It would also restore the purchasing power of the Pell Grant to its 1982 level, measured against the Consumer Price Index.

I thank you for your courtesy in allowing me to present this testimony today on behalf of Northland College and NAICU member colleges and universities.

If you have any questions, I would be happy to attempt to answer them.

Mr. NATCHER. Thank you, Doctor.

You have given us an excellent statement and we appreciate your appearance.

MONDAY, APRIL 30, 1990.

## VOCATIONAL EDUCATION

### WITNESS

### DR. DON BRIGHT, PRESIDENT, AMERICAN VOCATIONAL ASSOCIATION

Mr. NATCHER. Our next witness is Dr. Bright.

We will be pleased to hear from you at this time.

Mr. BRIGHT. Mr. Chairman, may name is Don Bright, President of the American Vocational Association. AVA, Professor of Vocational Business Education at Bowling Green State University in Ohio.

I appear on behalf of AVA's 45,000 vocational educators and the 16,000,000 students we prepare for work in over 150 occupations.

Today many good things are being observed about vocational education. Recently, CBS Evening News, anchored by Dan Rather, described vocational education as the "classroom of the future." President Bush, last September, pointed to the bright future of our students while noting that 18 of the 20 fastest growing occupations require vocational training.

Perhaps the good news about what vocational education can mean to our economy and to our students is finally getting out.

But where federal leadership is concerned, good news is being confronted by hard facts. A recent Hudson Institute study warns that developing human capital is now every bit as important as developing new technologies, in terms of competing in world markets. Yet, despite growing shortages of trained workers, increasing global competition, and a growing pool of people who will either be tomorrow's working class or underclass, federal support for vocational education has dramatically dropped.

The combined effects of budget cuts and inflation have caused the buying dollars of today's appropriation to be roughly

$300,000,000 less than 10 years ago in constant 1980 dollars. Chart I portrays a "Federal Vocational Education Deficit" which is growing.

Federal underinvestment is approaching neglect. Vocational education has lagged behind defense spending during the last 10 years—but then so have nearly all domestic programs. Education generally has been underfunded, as Chart 2 illustrates, only during the last few years showing even minimal growth above current services.

But there has been no such growth for vocational education and the federal investment in education of non-college graduates continues to trail far behind education as a whole. It is no wonder that the W.T. Grant Commission on Work Family and Citizenship has labeled our students, America's workers, as the "Forgotten Half."

Fiscal year 1991 can be the year to change that. H.R. 7, the House bill to improve and continue the Vocational Education Act, raises authorizations by about 50 percent. The Senate bill authorizes amounts approaching $1,700,000,000, a more than 70 percent increase.

Both bills authorize new initiatives and new responsibilities.

But now we must put our appropriations where our authorizations are. Chairman Hawkins of the House Education and Labor Committee has recommended a level of $1,500,000,000. AVA believes that is a good place to start.

What do we get for our investment? We get answers for the economy through a workforce that is taught to work, not simply trained for the next job.

We get answers for students with special needs, as "Fortune Magazine" describes, through a "new improved vocational school that acknowledges the vast diversity of its students and offers options suited to their individual needs and learning styles." In short, we get answers for the future.

Marvin Cetron, President of Forecasting International, in his new book, "the Great Job Shakeout," lists "winners" in the new job market of the 1990's—fast-growing jobs, many of them new opportunities spawned by high technology.

Two of every three jobs listed as "winners," demanding more than 30,000,000 workers over the next decade, require less than four years of college.

These vocational areas are not deadend jobs. Our "classroom of the future" prepares students for a new world, one emphasizing robotics, computer assisted manufacturing and design, and telecommunications.

But, as Cetron describes, it is also a world where the medium income for the occupation of carpenter is more than that of economist; that of bricklayer more that that of actuary; and that of plasterer more than that of political scientist.

Help close the gap of American's workers. AVA recommends an appropriations of at least $1,500,000,000 for fiscal year 1991. Thank you very much. I will be happy to answer any questions.

[The information follows:]

STATEMENT
OF
DR. DON BRIGHT

PRESIDENT
AMERICAN VOCATIONAL ASSOCIATION

BEFORE
U.S. HOUSE OF REPRESENTATIVES
APPROPRIATION COMMITTEE
LABOR-HEALTH AND HUMAN SERVICES-EDUCATION SUBCOMMITTEE

CHAIRMAN
THE HONORABLE WILLIAM NATCHER

APRIL 30, 1990
3:35 P.M.

Mr. Chairman and Members of the Subcommittee:

My name is Don Bright, President of the American Vocational Association (AVA) and Professor of Vocational Business Education for Bowling Green State University of Ohio.

Supporting funding for the Carl Perkins Vocational Education Act, I appear on behalf of AVA's 45,000 vocational educators and the 16 million students we prepare for work in over 150 occupations.

Today many good things are being observed about vocational education. Recently, CBS Evening News, anchored by Dan Rather, described vocational education as the "classroom of the future." President Bush, last September, pointed to the bright future of our students while noting that 18 of the 20 fastest growing occupations require vocational training. Perhaps the good news about what vocational education can mean to our economy and to our students is finally getting out.

But where Federal leadership is concerned, good news is being confronted by hard facts. A recent Hudson Institute study warns that developing human capital is now every bit as important as developing new technologies, in terms of competing in world markets. Yet, despite growing shortages of trained workers, increasing global competition, and a growing pool of people who will either be tomorrow's "working class" or "underclass", Federal support for vocational education has dramatically dropped. The combined effects of budget cuts and inflation have caused the buying power of today's appropriation to be roughly $300 million dollars less than ten years ago in constant 1980 dollars. Chart I portrays a "Federal Vocational Education Deficit" which is growing.

Federal "underinvestment" is approaching neglect. Vocational education has lagged behind defense spending during the last ten years -- but then so have nearly all domestic programs. Education generally has been underfunded, as Chart 2 illustrates, only during the last few years showing even minimal growth above current services. But there has been no such growth for vocational education and the Federal investment in the education of noncollege graduates continues to trail far behind education as a whole. It is no wonder that the W.T. Grant Commission on Work, Family and Citizenship has labeled our students, America's workers, as the "Forgotten Half".

FY 1991 can be the year to change that. H.R. 7, the House bill to improve and continue the Vocational Education Act, raises authorizations by about 50 percent. S. 1109, the Senate bill, authorizes amounts approaching $1.7 billion, a more than 70 percent increase. Both bills authorize new initiatives and new responsibilities.

But now we must put our appropriations where our authorizations are. Chairman Hawkins of the House Education and Labor Committee has recommended a level of $1.5 billion. AVA believes that is a good place to start.

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These vocational areas are not dead-end jobs. Our "classroom of the future" prepares students for a new world, one emphasizing robotics, computer assisted manufacturing and design, and telecommunications. But, as Cetron describes, it is also a world where the median income for the occupation of carpenter is more than that of economist; that of bricklayer more than that of actuary; and that of plasterer more than that of political scientist.

Where will the money come from? The American people have some ideas. In an October 1989 Gallup Poll, they were asked: "If you had a say in making the federal budget this year, for the following programs should spending be increased or decreased?" Education was the number one choice for increases. Number one. Greater than combating the drug problem, which was second. More than helping the homeless, which was third. More than space exploration. And more than defense spending, which came in last. But the American people were willing to put their taxes where their wishes were and they were most willing to have their taxes raised to support increases in education.

Congress can give the American people a say in this year's budget. Start with vocational education and close the serious, growing gap in occupational education for American workers. AVA recommends an appropriation of at least $1.5 billion for FY 1991.

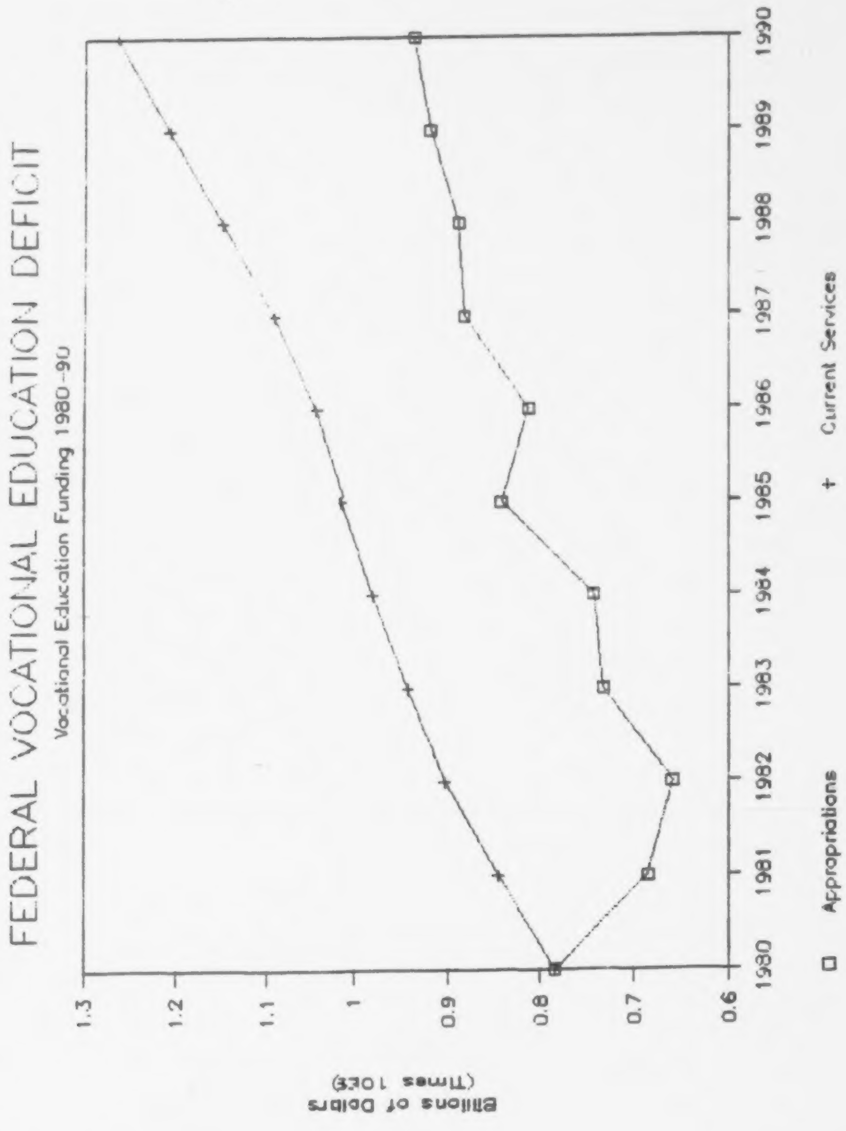
Thank you Mr. Chairman. I would be delighted to answer any questions.

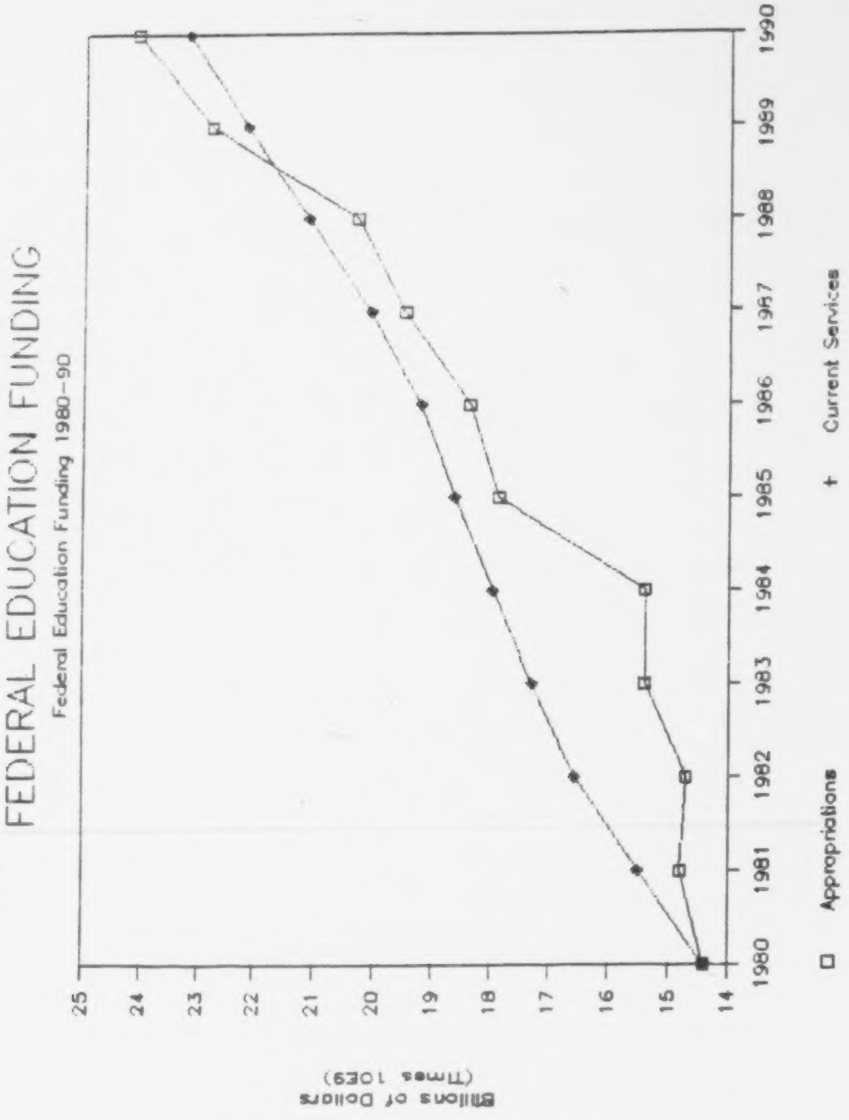
### Winners in the New Job Market Requiring Less Than 4 Years of College

(The Great Job Shakeout, Marvin Cetron, pp. 247-253)

| Job | Needed | Median Income |
|---|---|---|
| Auto Body Repairer | 118,000 | $ 18,000 |
| Auto Mechanic | 638,000 | 16,800 |
| Baker | 77,000 | 20,400 |
| Bank Teller | 336,000 | 14,400 |
| Batter Technician | 25,000 | 16,800 |
| Blue Collar Worker Supervisor | 1,300,000 | 22,800 |
| Bricklayer or Stonemason | 120,000 | 37,200 |
| Broadcast Technician | 17,000 | 26,400 |
| CAD Engineering Software Specialist | 360,000 | 36,000 |
| CAD Info Retrieval Clerk | 300,000 | 14,400 |
| CAD Product Design Technician | 190,000 | 33,600 |
| CAD Product or Systems Inspector | 280,000 | 26,400 |
| CAD Terminal Draftsman | 300,000 | 30,000 |
| CAD Training & Ed Materials Sales | 95,000 | 24,000 |
| CAD Vocational Simulation Instructor | 300,000 | 26,400 |
| CAD Voc Simulation Software Specialist | 150,000 | 22,800 |
| CAG Layout Artist | 40,000 | 21,600 |
| CAG Operations Supervisor | 20,000 | 30,000 |
| CAG Sales Representatives | 30,000 | 36,000 |
| CAG Terminal Input Artist | 40,000 | 21,600 |
| CAM Holographic Inspector | 135,000 | 25,200 |
| CAM Machine & Manufacturing Mechanic | 300,000 | 24,000 |
| CAM Manufacturing Material Controller | 20,000 | 16,800 |
| CAM Production Scheduler | 90,000 | 21,600 |
| CAM Production Superintendent | 90,000 | 30,000 |
| CAM Records Supervisor | 14,000 | 16,800 |
| CAM Special Tooling Design Engineer | 170,000 | 22,800 |
| CAM Technician | 75,000 | 26,400 |
| CAM-CAD Software Coordinator | 80,000 | 30,000 |
| Cable TV Installer | 300,000 | 15,600 |
| Cardiopulmonary Technologist | -- | 30,000 |
| Carpenter | 901,000 | 33,600 |
| Computer Axial Tomography Technologist | 25,000 | 24,000 |
| Computer Console & Equipment Operator | 812,000 | 21,600 |
| Computer Drafting Technician | 300,000 | 36,000 |
| Computer Graphics Technician | 150,000 | 42,000 |
| Computer Manufacturing Inspector | 250,000 | 38,400 |
| Computer Programmer | 474,000 | 32,400 |
| Computer Service Technician | 93,000 | 33,600 |
| Computer Software Writer | 1,830,000 | 36,000 |
| Computer Systems Analyst | 399,000 | 31,200 |
| Computer Terminal Info Processor | 270,000 | 36,000 |
| Construction Carpenter's Helper | 851,000 | 28,800 |
| Correctional Institution Officer | 169,000 | 30,000 |
| Dental Assistant | 96,000 | 14,400 |

| | | |
|---|---|---|
| Dental Lab Technician | 53,000 | 36,000 |
| Diesel Mechanic | -- | 27,600 |
| Drywall Installer & Finisher | 103,000 | 33,600 |
| Electric Power Line & Cable Mechanic | 106,000 | 21,600 |
| Electrical Engineering Technician | 478,000 | 28,800 |
| Electrician | 582,000 | 37,200 |
| Electronic Mail Operations Specialist | 300,000 | 19,200 |
| Emergency Medical Technician | 120,000 | 27,600 |
| Energy Auditor | 150,000 | 19,200 |
| Energy Conservation Technician | 1,500,000 | 31,200 |
| Engineering & Science Technician | 996,000 | 26,400 |
| Engineering Aide | -- | 21,600 |
| Firefighter | 197,000 | 24,000 |
| Food Service Worker (Commercial Cook) | 4,436,000 | 24,000 |
| Hazardous Waste Disposal Technician | 1,500,000 | 33,600 |
| Holographic Inspector | 200,000 | 24,000 |
| Home Electronic Systems Technician | 180,000 | 24,000 |
| Home Rehab Technician | 1,750,000 | 28,800 |
| Illustrator/Commercial Artist | -- | 21,600 |
| Industrial Laser Process Technician | 600,000 | 60,000 |
| Industrial Robot Production Technician | 800,000 | 28,800 |
| Legal Secretary | -- | 21,600 |
| Medical Lab Technician | 205,000 | 25,200 |
| Microcomputer Diagnostician | 200,000 | 42,000 |
| Midwife | 15,000 | 24,000 |
| Nuclear Medical Technician | -- | 21,600 |
| Office Info Center Terminal Operator | 600,000 | 27,600 |
| Office Machine Servicer | -- | 18,000 |
| Painter and Paperhanger | 317,000 | 34,800 |
| Painter, Construction & Maintenance | 469,000 | 28,800 |
| Pest Control Worker | 40,000 | 14,400 |
| Physician Assistant | 51,000 | 26,400 |
| Plasterer | 30,000 | 33,600 |
| Radio & TV Mechanic | 120,000 | 22,800 |
| Receptionist | 490,000 | 14,400 |
| Robot Operations Technician | 75,000 | 26,400 |
| Robot on-the-Job Programmer | 125,000 | 24,000 |
| Robot-Programmed Tool Handler | 75,000 | 21,600 |
| Robot Repairman | 100,000 | 26,400 |
| Secretary or Stenographer | 3,320,000 | 14,400 |
| Security Guard | 548,000 | 21,600 |
| Surgical Technician | -- | 19,200 |
| Telemarketing Computer Programmer | 60,000 | 42,000 |
| Telemarketing Sales Supervisor | 50,000 | 21,600 |
| Telemarketing Specialist | 80,000 | 36,000 |
| Teletext Operations Supervisor | 25,000 | 40,800 |
| Teletext Specialist-CATV Liaison | 30,000 | 45,600 |
| Teletext Specialist-Software Prgrmmer | 30,000 | 36,000 |
| Travel Agent | 52,000 | 21,600 |


FEDERAL VOCATIONAL EDUCATION DEFICIT
Vocational Education Funding 1980–90
Billions of Dollars
(Times 10E9)
1.3
1.2
1.1
1
0.9
0.8
0.7
0.6
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
□ Appropriations
+ Current Services


FEDERAL EDUCATION FUNDING
Federal Education Funding 1980-90
Billions of Dollars
(Times 10E9)
25
24
23
22
21
20
19
18
17
16
15
14
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
□ Appropriations
+ Current Services

## BUDGET SUMMARY
(in millions of dollars)

| | FY90 | FY91 | H.R. 7 | S. 1109 |
|---|---|---|---|---|
| FY 91 RESERVE REQUEST | | $929.8 | | |
| STATE GRANTS | | | | |
| Basic Grants | $850.7 | — | $1000.0 | $1500.0 |
| SPECIAL PROGRAMS | | | | |
| CBO's | 10.9 | — | 15.0 | 14.0 |
| Consumer/Homemkg | 34.1 | — | 40.0 | 37.0 |
| Adult Trn/Retrn | 0.0 | — | — | — |
| Career Guid/Coun | 0.0 | — | 30.0 | — |
| Industry-Ed Prtnrs | 0.0 | — | 20.0 | — |
| State Councils | 7.9 | — | 8.0 | 10.0 |
| Tech Prep | — | — | 200.0 | — |
| Facilities/Equip | — | — | 100.0 | — |
| NATIONAL PROGRAMS | | | | |
| Research | 6.9 | — | (1) | (2) |
| Demos | 11.9 | — | (1) | (2) |
| Data Systems | 4.9 | — | (1) | (2) |
| Bilingual Voc Ed | 3.0 | — | 10.0 | 4.0 |
| SUPPLEMENTAL | — | — | — | 100.0 |
| SMITH-HUGHES | 7.1 | 7.1 | 7.1 | 7.1 |
| TOTAL | $936.7 | $936.7 | $1430.1 | $1672.1 |

(1) 2 % set-aside of Basic State Grant
(2) 2.75 % set-aside of Basic State Grant

MONDAY, APRIL 30, 1990.

## INEXPENSIVE BOOK DISTRIBUTION PROGRAM

### WITNESS

### RUTH GRAVES, PRESIDENT, READING IS FUNDAMENTAL, INCORPORATED

Mr. NATCHER. Our next witness is Ruth Graves.

We will be glad to hear from you.

Ms. GRAVES. Thank you for permitting us to testify on the Inexpensive Book Distribution Program operated by Reading is Fundamental (RIF) under contract to the Department of Education.

Right now there are at least 23,000,000 American adult illiterates, and illiteracy costs the nation more than $200,000,000 a year.

In the last decade numerous studies have warned that the problem is compounding.

Our children are growing up not reading. A staggering number either drop out or graduate with minimal reading skills.

By the year 2000, between 30 and 50 percent of those who should graduate will dropout or graduate unprepared.

Poor reading skills already cost us jobs—like the insurance company that sends claims to Ireland for processing, unable to find enough skilled U.S. applicants.

By the year 2000: most jobs will require post-high school training or college degrees.

To meet that challenge, our children simply must be literate. But so far, our nation is not doing so well at arming them.

The latest reading report card tells us that: About 60 percent of soon-to-graduate students can't read well enough to understand a newspaper editorial. A stunning 95 percent lack skills needed for the kinds of materials used in business and higher education.

There is much discussion about how to teach the mechanics of reading, but one thing all studies agree on: Key to getting kids to read proficiently are books in the home; reading for fun; motivation; and parental involvement.

In 1976 Congress created a program that combines all these elements: The Inexpensive Book Distribution Program.

The program has more than lived up to Congress' expectations with the children it reaches by: Getting them to read more; improving their attitudes toward reading and learning; and by increasing their reading abilities, library usage, parent's involvement.

And it does so at an exceptionally low cost to the taxpayer, only $3.13 per child last year.

Yet for all its accomplishments, during the last decade the program has been seriously underfunded, steadily losing ground as inflation outstripped appropriations.

In 1980 we served 3,000,000 kids. Today we reach only 2,450,000—a loss of 550,000 children.

Accordingly, RIF respectfully recommends a fiscal 1991 appropriation of $11,000,000 to bring the program almost back to its 1980 level of services.

The Department of Education has requested $8,900,000. This would result in a further loss, about 64,000 youngsters.

The dimensions of the program far exceed what its common name, "The Book Program" implies.

While books are, of course, its major tools and its major incentives, it is, in fact, a nationwide children's literacy movement, with a network of grassroots projects spanning all the states and U.S. possessions, reaching children at nearly 12,000 locations.

It draws more than 111,000 volunteers into the service of helping children read—37 percent of those are parents; operates not only in schools, but in settings where reading programs are rare, migrant camps, housing projects, homeless shelters, and other places with families out of the mainstream.

And it generates innovative methods to get children reading, methods we have translated into groundbreaking programs with the help of private monies.

Just a few examples: Literacy programs for teen parents and their children in Wisconsin, Florida, Illinois, Massachusetts, and other places. Programs and family reading centers in homeless shelters, including ones in Kentucky, New Jersey and Maryland.

City-wide reading campaigns, such as one in Kentucky, for citizens of all ages; community reading projects, literature and radio broadcasts, including in Spanish for non-English speaking families. These are just a few spin-offs.

The book program is the foundation on which all of these are built. Without it these new approaches would not exist and the private to support them would not be forthcoming.

Last year, for every $1 of federal funds, RIF and its network leveraged $3.03 in private funds, goods and services.

The momentum and need are there. But RIF cannot begin to meet the demand.

Last year alone we could easily have reached at least a million more children based on the applications we received, had funds been available.

The RIF program works, costs little, spawns additional successful reading programs, and brings back to the people far more than it costs them.

Above all, it gets children to read, it helps solve one of the nation's most urgent problems: The downward trend in children's reading. It helps to prevent illiteracy.

We respectfully urge the Congress to help assure a literate future for our children and the nation.

With an $11,000,000, fiscal 1991 appropriation for the Inexpensive Book Distribution Program.

Ms. Gr [illegible] Thank you, we would appreciate it if our written statement would be inserted in the record.

Mr. NATCHER. Thank you.

[The information follows:]

## TESTIMONY OF MRS. RUTH GRAVES, PRESIDENT
## READING IS FUNDAMENTAL, INC.

Reading Is Fundamental (RIF), appreciates the opportunity to offer recommendations on the Inexpensive Book Distribution Program (IBDP), P.L. 100-297, Chapter 2B, Secs. 1561(b)(2) and 1563. RIF operates the program under contract to the Department of Education.

As recent major studies again sound the alarm about the state of reading among American children, we respectfully request Congress to invest additional funds in children's reading through the IBDP.

### NEED AND DEMAND OVERWHELM THE AVAILABLE RESOURCES

In the IBDP the government has a program which implements the key recommendations of all major reading studies of the last decade and which succeeds in getting children to read -- at a remarkably low cost to the taxpayer: only $3.13 per child last year.

Yet, ironically, in the 1980-1990 decade, lack of funds and inflation have steadily eroded the program. Today it reaches 550,000 fewer children then it did in 1980. Moreover, as word of its success has spread, demand for its services has increased. Last year alone, based on requests received, RIF conservatively estimates we could have funded at least 1500 additional programs to serve at least a million more children had funds been available.

Considering the IBDP's achievements in getting children to read, the magnitude of America's literacy problem, and the demand for the program, the IBDP is seriously underfunded. Accordingly, READING IS FUNDAMENTAL RECOMMENDS AN FY'91 APPROPRIATION OF $11 MILLION.

An appropriation of $11 million would permit RIF to reach 2,950,000 children, with 9.4 million books and reading services, almost bringing the program back to its 1980 level of services.

Conversely, an appropriation of $8,914,000, as proposed by the Department of Education, would mean a loss of services to at least 64,000 more children.

An appropriation of $11 million is a small investment to throw a major lifeline to America's youngsters on the rising tide of illiteracy.

## RIF/IBDP: PROVEN, SUCCESSFUL METHODS, ADDRESSING PERSISTENT NATIONAL PROBLEM

Over the past few years, numerous studies have warned of a compounding illiteracy problem in America.

Not only do we already bear a staggering $200 billion plus annual price tag for illiteracy and have more than 23 million functionally illiterate adults, but our children are growing up not reading.

Moreover, illiteracy's effects permeate all aspects of our society: 85% of teenagers appearing in juvenile court are functionally illiterate; teens with poor basic skills are 5 times more likely to become parents by the age of 16; illiterate youngsters are 70% more likely to become drug users.

This year the government once again issued a less-than-encouraging "Reading Report Card," reiterating that America is not making the grade in getting children to read. Secretary Cavazos, as have so many others, placed literacy squarely at the heart of the overall education of our children:

> "Without solid literacy skills we can never expect to see improvements in math, science, history or geography."

While significant reading advances were achieved among minorities, the overall picture remains bleak:

- O Nearly 60% of seventeen-year-olds, soon to graduate, could not read well enough to understand a 12th-grade history text or an editorial in a major newspaper.
- O A stunning 95.2% lacked the skills needed to comprehend the kinds of written materials prevalent in business and higher education. And these statistics do not include data about students who have dropped out of school altogether.

O Only 17% of the nine-year-olds demonstrated a grasp of the intermediate reading abilities -- a significant decline since 1980.

It was not the "Report Card's" purpose to offer remedies. Thus it is particularly significant that repeatedly throughout the report the researchers noted that across all age levels the most proficient readers are those who read for fun, read regularly, and have reading matter at home, as in this observation: "... students who read for fun were likely to have the highest reading proficiency."

This observation echoes the findings of other studies, including the benchmark 1985 "Becoming a Nation of Readers," prepared by a commission of America's leading reading experts, synthesizing 20 years of research on how to improve children's reading. These researchers zeroed in on motivation, the need for children to read for pleasure, to have books in the home, and to have their parents involved -- all components of the RIF/IBDP.

But even before these studies were done, the Congress itself understood the connection between early intervention to engage children in reading books and engaging their minds in learning. In 1976 it created the IBDP with the express purpose of motivating children to read widely, often and well, and to provide them with books to do so. The studies simply verified what the Congress already knew. And the IBDP has lived up to the expectations of Congress -- and more.

Consistently, through surveys, studies and unsolicited comments from educators, parents, librarians, and even children, the most frequently cited effects of the RIF/IBDP program are:

O Children reading more;

O Increased reading abilities;

O Increased library circulation

O Increased parental involvement;

O Improved attitudes toward reading and learning.

Yet despite these results, the studies' recommendations and the alarming data on inadequate reading skills among our nation's youngsters, the IBDP -- which IS getting kids to read and

IS getting reading matter into the homes -- is able to reach fewer than 5% of those eligible for its services. Last year our funding permitted us to reach only 2,450,000 children.

Although the IBDP has received some modest recent increases, these have been insufficient to offset rising book costs over the last 10 years, an increase much greater than the general inflation rate. Over the ten-year period of 1980 and 1990 while IBDP funds increased only about 30%, the general inflation rate was 44.8%, and the rate of increase in book prices was more than 100%. One example illustrates the point: the favorite children's classic, E.B. White's Charlotte's Web, almost doubled in price between 1980 and 1990.

Books are, of course, the major cost of the program. Local projects receive NO funds for administration. They receive funds only for books.

## MORE THAN A BOOK PROGRAM

RIF and the IBDP are commonly known as "The Book Program." Of course, the program is getting books into the hands and homes of children, and more important, getting them to read them. And books are the major tools of the program and the incentive which draws communities to the program.

But its dimensions are far greater than the words "Book Program" imply. The IBDP is the foundation of a nationwide movement for children's literacy. It has brought into being an extensive network of innovative, community-based programs spanning all the 50 states, District of Columbia, and U.S. possessions, serving children in 11,694 locations under the umbrella of 3,559 RIF/IBDP projects.

It has drawn 111,205 citizen volunteers from all walks of life into the service of getting children to read. More than 37% of these are parents of the children served.

The RIF/IBDP network reaches children in schools, of course, where the program is an integral and vital part of reading efforts, and is drawing into schools parents who heretofore had little active role in their children's reading. But unlike many federal education programs, it also reaches into NON-TRADITIONAL SETTINGS where books and reading activities are rare and children are at risk.

These include housing projects, migrant labor camps, facilities for teen parents, homeless shelters, preschool centers, juvenile detention centers, and other places where children are out of the mainstream.

For example, RIF/IBDP is reaching youngsters in inner-city Cleveland with the help of the Council of Churches and a community center; in low-income housing projects in, among other places, North Dakota, California and Virginia; in facilities for incarcerated young people in Nevada, California, Iowa, Illinois, and other states; in migrant farm worker communities in Oregon, Florida, Texas, California and elsewhere.

The RIF/IBDP network has also served as a TESTING GROUND FOR INNOVATIVE METHODS to motivate children to read, enabling RIF to develop and disseminate widely the best techniques. It has helped RIF develop a body of knowledge on family reading and has led to some unique parental programs.

For example, projects in Massachusetts, Illinois, Wisconsin, Florida and other states bring carefully crafted reading services to teen parents and their children to help the teenagers improve their reading skills and guide them in bringing up their babies as readers.

In Pennsylvania another group of parents out of the mainstream have come together to help their children become readers. Inmates of the Graterford maximum security prison have joined with a volunteer church group to bring RIF/IBDP services to their children on visiting days. The program is partially supported out of the inmates' 13¢-38¢ per hour wages.

Other innovations of the IBDP network involve bringing older children into the service of younger ones, as volunteer fundraisers, readers, and sponsors of RIF projects in New Hampshire, Florida, Ohio, Arizona and Minnesota, among other places.

Similarly, senior citizens, are drawn to RIF's work in various capacities. In Stamford, Vermont, for example, members of a senior citizen club serve as foster grandparents to RIF children, encouraging and rewarding their reading in a variety of ways. And one septuagenarian in Texas has single-handedly raised funds to bring RIF to 17,000 low-income minority children.

The IBDP Network ALSO LEVERAGES PRIVATE SUPPORT, serving as a magnet for widespread family and community involvement and the delivery system for a variety of privately-funded programs.

Among the family literacy initiatives spawned by the IBDP and funded with private monies: workshops for parents; family reading rallies; literature (in Spanish and in English) for parents; family reading broadcasts (in Spanish); lending libraries in the workplace; and a nationwide in-home reading competition.

Community-wide initiatives leveraged with IBDP funds, but supported with non-government monies include: three city-wide campaigns in Kentucky, Tennessee and North Carolina to engage the entire citizenry, babies to senior citizens, in programs to get everyone reading; an intensified reading program for all first graders in 15 school districts in 9 states that will reach 100,000 children in the next three years; and an intensive program to reach all fourth graders in the states of Arkansas and Maine.

These are but a few of the initiatives leveraged by the Inexpensive Book Distribution Program.

The IBDP is the foundation on which all of these programs and private grants are built.

All of the leveraging was possible because Congress created and continues to fund the IBDP.

Without the federal funds, these privately-supported programs would neither have come into being nor continue. All are built on the IBDP and the network it makes possible.

The IBDP is clearly a sound investment that gets children to read and attracts private resources toward that end. LAST YEAR, FOR EVERY $1 OF IBDP FEDERAL FUNDS, RIF AND ITS LOCAL PROJECTS GENERATED $3.03 IN PRIVATE FUNDS, GOODS, AND SERVICES.

## $11 MILLION: A SOUND INVESTMENT TOWARD A CRUCIAL RETURN

The IBDP is a sound, proven, program that succeeds in getting children to read, whether they are in school or in out-of-the-mainstream locations.

It is getting families engaged in their children's education.

It is developing and disseminating innovative means to achieve literacy among children.

It is leveraging private support for literacy programs.

It is attracting far more demand for its services than funds now permit RIF to meet.

And it is bringing back to the taxpayers -- and the country -- far more than it costs them.

Above all, it is a major -- and low-cost -- part of the solution to one of the nation's most urgent problems: the need to reverse the downward trend in our children's reading capabilities.

Our children are our first line of defense in the struggle to retain America's preeminence among nations. And literacy is their most powerful tool.

We respectfully urge the Congress to help assure that our children are properly armed by appropriating $11 million for the IBDP for fiscal 1991.

MONDAY, APRIL 30, 1990.

# LITERACY PROGRAMS

## WITNESS

## ROBERT P. CANAVAN, VICE PRESIDENT, PUBLIC AFFAIRS, UNITED WAY OF AMERICA

Mr. NATCHER. Next is Mr. Robert Canavan. We will be delighted to hear from you at this time.

Mr. CANAVAN. Thank you.

I am Robert Canavan, Vice President for Public Affairs of United Way of America.

I am here to support increased funding for literacy programs under the Adult Education Act and under the Adult Education and Employability Act pending in the House of Representatives.

United Way of America is part of a broad based coalition which supports passage of comprehensive literacy legislation, including H.R. 3123, the Adult Education and Employability Act introduced by Mr. Sawyer. I would like to read a partial list of the members that support this legislation.

Among the groups supporting this legislation are the American Association for Adult and Continuing Education, Association of Community Based Education, Association of State Literacy Directors, Correctional Education Association, Council of State Directors of Adult Education, International Reading Association, Laubach Literacy Action, Literacy Network, Literacy Volunteers of America, National Council of La Raza, Southport Institute for Policy Analysis and United Way of America.

We are confident that H.R. 3123 will pass and urge the subcommittee to fully fund its programs as authorized.

United Way of America was pleased to see that the Bush Administration proposed in its budget in Adult Education funding an increase from $192,800,000 to $238,700,000. However, the Administration's budget request falls short of what is needed to help those who can't read to gain self sufficiency.

The States are the primary providers of adult education services. The Administration proposes only $20,000,000 in state grants. If we use the lowest estimate of 23,000,000 adults needing literacy services, this equals less than $10 per person.

The Adult Education Act eligibility for service to states is based on the number of adults without a high school diploma. This is approximately 52,000,000 people. Currently only 4,000,000 persons are served by this federally funded program. This represents 7.5 percent of a 52,000,000 without high school diploma.

An additional 500,000 are served by voluntary agencies, nonprofit organizations, and community based organizations.

We are also obviously falling short of helping the estimated 23,000,000 Americans (one-fifth of the adult population—who are functionally illiterate—their reading, writing and other skills are at or below a fifth-grade level. Another 35,000,000 to 45,000,000 are believed to be only marginally literate—below the reading level needed to do well in today's society.

This state of affairs is intolerable when, for a variety of different reasons, not the least of which if we look at our economy, it is becoming more global, and the average new job will require 13.5 years of education, and 2,000,000 students (25 percent) drop out of U.S. schools each year.

Forty percent of all current jobs require only limited literacy skills, but it is estimated that only 27 percent of newly created jobs fall into the low-skill category.

The majority of the workforce by the year 2000 will be made up of groups who have historically had limited opportunities for quality education. And illiteracy most seriously affects displaced industrial workers, poor urban youth, and ethnic and racial minorities.

A recent United Way of America study found that the consequences of illiteracy are many. There is evidence that it is a contributing factor to many social problems.

Nearly 1,000,000 Americans between the ages of 14 and 21 drop out of middle and high school each year. Many possess such low literacy skills that they fail to qualify for federally funded job training.

Of the 350,000 inmates of federal and state prisons, an estimated 60 percent did not complete high school.

Up to 40 percent of those inmates have less than an 8th-grade education.

Congressman Sawyer and the co-sponsors of H.R. 3123 have rendered a major public service not only by having perceived the imperative need but by having prepared extraordinarily thoughtful and comprehensive legislation to address it. We haven't begun to address many of the substantive problems that must be dealt with if we are to achieve effective results.

I believe the specific provisions of the Sawyer bill will enable us to do this. Among the especially important provisions of the bill are: One, clear recognition of the importance of national leadership.

Coordination of the various federal programs through a Cabinet Council, which has both real and symbolic importance and which reflects the fact that adult illiteracy is not just an education problem but one that cuts across the interests and activities of most agencies of government including labor and health and human services.

Requirement of well-coordinated state literacy programs as a prerequisite for federal grants; strengthening of existing programs such as Adult Basic Education, Even Start, Library Programs and programs for limited-English speakers.

Mr. Chairman, we thank the committee for giving us the opportunity to testify on this important issue.

We applaud the strong support you have given to education and urge increased congressional support for current adult education programs and enactment and funding for H.R. 3123, the Adult Education and Employability Act.

Mr. NATCHER. Thank you, Mr. Canavan. You have given us an excellent statement.

We appreciate your appearance.

MONDAY, APRIL 30, 1990.

## DWIGHT DAVID EISENHOWER ACT

### WITNESS

### IRIS CARL, PRESIDENT, NATIONAL COUNCIL OF TEACHERS OF MATHEMATICS

Mr. NATCHER. Next is Iris Carl.

We will be pleased to hear from you.

Ms. CARL. Good afternoon, Mr. Chairman. Thank you for permitting us to testify.

I am Iris Carl, President of the National Council of Teachers of Mathematics. The National Council of Teachers of Mathematics is the largest professional mathematic education organization in the nation with over 70,000 members and 200 affiliate councils.

My background includes being a teacher, a supervisor and an administrator of mathematics in the Houston Independent School District in Texas. Today I wish to share with you a issue of critical importance to the nation and its citizens: The need to improve the mathematics education of our nation's students.

The millions of students currently enrolled in our schools need to know more mathematics to be effective citizens than any other generation that has graduated. Our nation faces critical tests ahead as we try to compete on an international level with trading partners who value education more than we have.

The NCTM believes that mathematics education programs need more money in order to help more teachers instruct more students in the mathematics they will need to know in order to survive. NCTM is dedicated to the improvement of mathematics education throughout the United States and Canada.

Our goal is to ensure that all students possess a suitable and sufficient mathematics background to become productive citizens in a future characterized by complex information and technology. To accomplish this goal, it is imperative that we have strong support both inside and outside the education community. NCTM is supporting the implementation of its "Curriculum and Evaluation Standards for School Mathematics," which was developed to make dramatic changes in how mathematics is being taught.

We are here today to discuss with you the need of the mathematics community for continued and increased support for the Dwight David Eisenhower Act, Chapter 1, Chapter 2, and the National Science Foundation. It is the Dwight David Eisenhower Act that supports the decisive changes that must occur through staff development and curriculum provision. The funds provides opportunities for teachers to improve instruction by improving their own knowledge of mathematics and instruction.

Throughout the nation many approaches have been used to improve mathematics education. For example, in Kentucky, the three year plant for Woodrow Wilson Institutes has held three-week seminars at Western Kentucky University with teams of teachers who return to their schools and develop new materials and more effective programs. These seminars are planned for three years.

Kentucky is also emphasizing each local district's needs by tailoring workshops and seminars to specific audiences. Local and State funds from the Dwight David Eisenhower program are using university settings and the Kentucky Educational Television system to prepare videotapes that can be used to improve how teachers present mathematics to their students. Local districts there are designing workshops and seminars to meet their local needs.

In my State, Texas, the Texas Education Agency has spread a network of effective instructional programs across the state by investing funds to develop 24 kindergarten through 12th grade mathematics content modules.

Six regional facilitators have been trained to instruct teachers. Fifteen thousand teachers have probably impacted on about 600,000 students in just this year.

The Texas Higher Education Coordinating Board, which is the host agency for Eisenhower Grants, has made 192 awards and created partnerships between our universities and our school districts to help teachers learn mathematics and develop new teaching skills.

Many of the grants provide an integration with technology and instruction. Technology is a critical aspect of the needed improvement. Technology has brought about a shift in the entrance requirements to the work force.

The demand for students to leave our schools with higher levels of mathematics knowledge is an imperative.

Mr. Chairman, the only way that the Houston School District has been able to train our teachers on the secondary level in the current use of technology has been through the Dwight David Eisenhower Fund.

For those of us in the classrooms of this nation, we find that the biggest problems with the implementation of the Education for Economic Security Act and the Dwight David Eisenhower Act is their funding pattern greatly fluctuates from year to year. What school districts and state departments of education need is a five good years of dependable funding that will allow multi-year programs to improve mathematics education and planned implementation.

The NCTM hopes that you will be able to recommend significant increases as you did last year for Chapter I programs. Chapter I programs furnish support and outreach activity to improve the chances for poor students to reach their potential.

Mr. Chairman, unfortunately, only 55 percent of the students who are eligible for Chapter I programs are receiving them.

This year in my school district 100,000 students who are on free and reduced lunch, 146 schools were eligible for Chapter I programs.

To maintain quality services, 36 schools were not included in the program. At every level of society more mathematics knowledge is needed to interpret data, to qualify for entry level jobs and to communicate in this information age. The Dwight David Eisenhower Act provides schools with the needed funds to improve the education that students around the nation are receiving.

We hope that you will be able to support the funding increases that we have asked for.

With those increases, more teachers will be able to improve their mathematic instruction and provide our nation with better educated and productive citizenry.

Mr. Chairman, the National Council of Teachers of Mathematics thanks you for your leadership and support.

I would be pleased to answer any questions should you have some.

[The information follows:]

# THE TESTIMONY OF

IRIS CARL

PRESIDENT

NATIONAL COUNCIL OF TEACHERS OF MATHEMATICS

BEFORE THE

HOUSE SUBCOMMITTEE ON APPROPRIATIONS

FOR THE DEPARTMENTS OF

LABOR/HEALTH AND HUMAN SERVICES/EDUCATION

CHAIRED BY

THE HONORABLE

WILLIAM NATCHER

APRIL 30, 1990

In the recent trade agreement between the United States and Japan, Japan agreed to change its retail market system to allow more American merchants to sell their goods in Japan. The United States agreed to the Japanese request that the United States improve its educational system.

Mr. Chairman and members of the Subcommittee on Appropriations for the Departments of Labor/Health and Human Services/Education, I am Iris Carl, president of the National Council of Teachers of Mathematics (NCTM). NCTM is the largest professional mathematics education organization in the nation with over 70 000 members and 200 affiliated councils. My background includes being a teacher, a supervisor, and an administrator of mathematics programs in Houston, Texas.

Today, I wish to share with you an issue of critical importance to the nation and its citizens: the need to improve the mathematics education of our nation's students. The millions of students currently enrolled in our schools need to know more mathematics to be effective citizens than any other generation that has graduated. Our nation faces critical tests ahead as we try to compete on an international level with trading partners who value education more than we have. The NCTM believes that mathematics education programs need more money in order to help more teachers instruct more students in the mathematics they will need to know in order to survive.

NCTM is dedicated to the improvement of mathematics education throughout the United States and Canada. Our goal is to ensure that all students possess a suitable and sufficient mathematics background to become productive citizens in a future characterized by complex information and technology. To accomplish this goal, it is imperative that we have strong support both inside and outside the education community. NCTM is supporting the implementation of its CURRICULUM AND EVALUATION STANDARDS FOR SCHOOL MATHEMATICS, which was developed to make dramatic changes in how mathematics is being taught.

We are here today to discuss with you the need of the mathematics education community for continued and increased support for the Dwight David Eisenhower Act, Chapter 1, Chapter 2, and the National Science Foundation.

## Dwight David Eisenhower Act

Part A of the Dwight David Eisenhower Act provides funds to school districts across the nation to improve their mathematics and science education programs. The majority of these funds are provided to local school districts to support staff development and curriculum revisions. Both of these activities are critical if our nation hopes to improve its mathematics programs at all grade levels. Currently, there are teachers teaching mathematics without the appropriate background in mathematics. The funds provided by the Dwight David Eisenhower Act allow these teachers to improve their knowledge of mathematics and education. The result is improved instruction.

The Dwight David Eisenhower Act is very effective in reaching students with its services. According to the U.S. Department of Education, teachers in every state have been served by this program and its predecessor, the Education for Economic Security Act. Furthermore, the formula for the Dwight David Eisenhower Act is targeted at concentrations of disadvantaged students.

In Kentucky, the funds from the Eisenhower program have been used to assist that state to improve mathematics education using several different approaches. For example, the Woodrow Wilson Institutes has held three-week seminars at Western Kentucky University with teams of teachers who return to their schools and develop new materials and more effective programs. These seminars are planned for three years. Kentucky is also emphasizing each local district's needs by tailoring workshops and seminars to specific audiences. Local and state funds from the Dwight David Eisenhower program are using university settings and the Kentucky Educational Television system to prepare videotapes that can be used to improve how teachers present mathematics to their students.

In Wisconsin, last year alone 18 706 teachers received support from the Dwight David Eisenhower Act, and they in turn reached 669 485 students. More than 93.25 percent of Wisconsin school districts participated in the Dwight David Eisenhower Act last year, and this year it is expected to increase. These funds helped teachers attend four and five workshops on problem solving, mental arithmetic, geometry, and many other subjects during the past year. Also, the state department of education supported the Cognitively Guided Instruction Project for low-achieving students. This project was developed at the University of Wisconsin and the teachers are now instructing students and conducting in-service programs on how to improve mathematics education in their schools using Eisenhower funds.

In the state of Maryland, the state department of education uses its Eisenhower funds in coordination with the local schools to systematically improve mathematics education at all grade levels. Twenty-three of Maryland's 24 counties (over 300 teachers) used their Eisenhower funds to support their teachers attendance at a statewide meeting for instructional improvement and for the follow-up activities. The state also provides funds through the Dwight David Eisenhower Act for a professional to work with teachers at their own schools to implement the improved programs.

Even with this effective use of funds, the Act was originally designed to receive over $400 million dollars annually. It has not. In fact one of the biggest problems with the implementation of the Education for Economic Security Act and the Dwight David Eisenhower Act was that their funding pattern greatly fluctuated from year to year. What is needed is five years of good and dependable funding to allow local school districts and the state departments of education to plan multiyear programs to improve mathematics education. Supporting the President's request for an increase to $230 million would allow local schools to improve their mathematics programs significantly.

## CHAPTER 2

Chapter 2, the education block grant, has also become a program that supports mathematics education. Many schools are using funds from this program to supplement their Dwight David Eisenhower Act funds. The NCTM believes Chapter 2 should also be expanded to furnish more support.

**CHAPTER 1, COMPENSATORY EDUCATION**

More than five million children receive supplementary educational services in mathematics and reading through Chapter 1, the federally sponsored compensatory education program. Unfortunately only 55 percent of the students eligible for these services are receiving them.

NCTM believes that Chapter 1 programs need to be expanded. As recent reports on poverty in this nation have cited, the vast majority of our nation's poor are children. Programs like Chapter 1 furnish increased support and outreach activities to improve the chances of poor children to reach their potential. Chapter 1 is providing about 45 percent of the students in Chapter 1 with supplementary mathematics education. This needs to be expanded. We hope you will be able to recommend significant increases, as you did last year, for this program.

**LEAD AGENCY: NSF OR ED**

The National Council of Teachers of Mathematics has noted with some interest the questions being asked concerning which agency, the National Science Foundation (NSF) or the U.S. Department of Education (ED) should have priority in the funding for mathematics and science education. We believe that each agency supplies the nation with different, but complementary services. The NSF provides grants to agencies that apply for funding to improve their programs in mathematics and science education. Frequently, these programs are innovative and demonstrate an improved technique, materials, or program. The U.S. Department of Education provides funds to those school districts most in need of improving the teaching of mathematics. Should one be emphasized over the other? No. They support different populations and both need to be expanded.

## OTHER GOVERNMENT PROGRAMS

The President has made it a priority of his administration to improve mathematics education in the United States. Other government agencies have become involved, and more wish to. The Department of Energy's research labs are going to be used to help expand the knowledge base of many teachers in the school districts surrounding those labs. NASA provides supportive programs to schools through their regional centers, and the metric program of the United States has also furnished materials. Although these are significant contributions, they will not substitute for increased and dependable funding for the Dwight David Eisenhower Act, the National Science Foundation, Chapter 1, and Chapter 2.

## CONCLUSION

The Dwight David Eisenhower Act provides funds to many schools that otherwise would not receive any outside support to improve their mathematics programs. Chapter 2 supplements these funds, and Chapter 1 provides direct support for low achieving students in economically disadvantaged areas to receive supportive instruction. These programs are not all for the college bound, but they *are* for students who will become voters, job holders, and community leaders. At every level of our society more mathematical knowledge is needed to interpret data, repair machines, and even communicate. The Dwight David Eisenhower Act provides schools with the needed funds to improve the education that students around the nation are receiving. We hope that you will be able support the funding increases that we have asked for. With those increases more teachers will be able to improve their mathematics instruction and thus provide our nation with a better educated and productive citizenry.

Mr. NATCHER. Thank you. You have given us an excellent statement and we appreciate your appearance.

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MONDAY, APRIL 30, 1990.

## DESCRIPTIVE VIDEO SERVICES

### WITNESSES

LAURIE A. EVERETT, DIRECTOR, DESCRIPTIVE VIDEO SERVICE, WGBH EDUCATIONAL FOUNDATION, BOSTON, MA

ROBERT O. SILLS, SOMERVILLE, MA

Mr. NATCHER. The next witnesses are Laurie Everett and Mr. Sills. We are delighted to have both of you before the committee and we will be pleased to hear from you.

Ms. EVERETT. Thank you.

I am Laurie Everett, Director of Video Services at WGBH in Boston.

Public television made history in January with the launch of DVS, the national project that makes television programs accessible to the nation's 12,000,000 blind and visually impaired citizens. DVS made its debut on PBS on American Playhouse and is now available on "Mystery" and "Degrassi High." DVS provides narrated descriptions of a television program's key visual elements which are inserted in the pauses in the program dialogue.

The Education of the Handicapped Act authorizes video description services. At a funding level of $1,000,000 per year, WGBH can provide a meaningful service of 8–10 hours of programming per week, can explore alternative distribution methods for home video, can expand to other types of programs, and leverage private sector support.

Therefore, WGBH requests that the subcommittee fund descriptive video for fiscal year 1991 at $1,000,000.

Although the fiscal year 1990 funds have not yet been obligated by the Department of Education, we look forward to pursuing a grant or contract from the Office of Special Education.

DVS's modest beginning on public television has made television accessible for blind persons in Cleveland and Akron, Los Angeles and San Francisco, Baltimore and Washington, D.C., New York and Rochester, Boston and Springfield, as well as Chicago, Des Moines, Miami and 19 other cities.

I also would like to indicate my support for full funding for the Corporation for Public Broadcasting, which has been a strong advocate for DVS and funded the development and start-up resulting in the service we have begun today. I also urge you to support full funding for the replacement of public broadcasting's satellite system. It is that satellite system which distributes DVS on the SAP channel of stereo broadcasting.

With me today is Robert O. Sills of Somerville, Massachusetts, who is a consumer of DVS.

Mr. SILLS. My name is Robert Sills. When I was 20 years old I lost my sight in an automobile accident. As a boy I grew up in the 1950s and 1960s in rural northern New York and I watched my fair share of television. I can recall programs like Howdy Doody, I Love Lucy and the wonder of Walt Disney, first in black and white and later in color. Later in my teens I can remember sitting with my family in rapt attention as we watched the tragedy of President Kennedy's assassination unfold before our very eyes. Later, I will never forget watching on television the first moon landing and that triumph.

Through DVS, Descriptive Video Services, for the first time since I lost my sight, I am able to have access to television.

In high school I read a novel by Richard Wright, "Native Son," and it had a profound effect on me. Several years ago I had heard that it was to be presented on television, the film adaptation. I looked forward to seeing it. Well, the experience was very frustrating and incomplete, as movies are highly visual, as you know.

Well, just this year, through the small miracle of Descriptive Video Services, DVS, that same film was presented by PBS on American Playhouse, with descriptions. It was a full and enjoyable experience. This film adaptation of "Native Son" is an important piece of American literature and for the first time I was able to enjoy this film adaptation.

Like braille and speech synthesis for computers, which has enabled me to write once again, which has been essential for my career and for my own personal self-expression, so, too, now DVS has brought television back to me and to many others. In short, DVS has changed my life.

As a representative of WGBH's consumer group of visually impaired people in Boston, I want to strongly recommend and encourage you to support DVS so that all blind and visually impaired people throughout this country will be able to enjoy it.

Thank you.

Mr. NATCHER. Thank you very much, Ms. Everett, Mr. Sills. We want to thank both of you for your appearance. You have given us excellent statements and we appreciate it.

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MONDAY, APRIL 30, 1990.

## CRITICAL LANGUAGES AND AREAS STUDIES

### WITNESSES

**DR. RICHARD P. UNSWORTH, PRESIDENT, NORTHFIELD MOUNT HERMON SCHOOL, NORTHFIELD, MA**

**AMBASSADOR HARRY BARNES, EXECUTIVE DIRECTOR, CRITICAL LANGUAGES AND AREA STUDIES CONSORTIUM, INC., PEACHAM, VT**

Mr. NATCHER. Our next witnesses are Dr. Richard Unsworth and Ambassador Harry Barnes. You know, first is last and last is first, and a lot of times last is best. We are delighted to have you.

Mr. UNSWORTH. I realize that for you both it has been a long listen today. I will be brief.

I am here on behalf of the Critical Languages and Area Studies Consortium, which is now in its second year of efforts to create a larger cadre of young people in the United States who will achieve competence in languages that your committee and others in the

Congress have considered critical to the economic and political well-being of the United States.

Mr. Chairman, the other day I sat in a classroom with 15 high school students, black, white, Hispanic, Asian, boys and girls. They had been studying Chinese for eight months. There was not a word of English spoken as the teacher addressed questions to them and they answered or as they addressed questions to him and he answered. There were 15 and we need thousands.

The average high school student graduates with two years of foreign language instruction but the average Japanese student graduates with six years' instruction in a foreign language. We must get serious about beginning foreign language study much earlier if we are to compete, and especially the less commonly taught languages.

A congressional staff member who specializes in military appropriations issues tells me we cannot now provide anything like the number of Russian speakers this country needs just to deal with the issues that arise out of the arms talks now beginning with the Soviet Union. By contrast the Soviet Union has more teachers of English than we have students of Russian by a ratio of 10 to 1. There are about 800,000 teachers in the Soviet Union and about 8000 students in the United States.

The latest Japanese trade pact has brought a reminder that we have only about 500 high schools in the whole of the United States that even offer courses in Japanese. That means that at most about 10,000 students going to university studies have had exposure to the language of our major trading partner.

We have a tiny but growing number of high schools teaching Chinese. But in China there are more students of English than there are people in the United States. Every student who wants to gain entrance to the university must pass a series of competency tests, one of which is in the English language.

Your committee has given educators like us a very encouraging signal when in the last session of the Congress you provided the funding for previously authorized foreign language centers. You said, "The long-term economic and strategic needs of the United States require a major expansion in our national capacity to communicate in the critical languages of the world."

We stand ready, Mr. Chairman and Mr. Pursell, to help you in meeting that need. We would urge you to give your attention to the authorization bill that is now proceeding through the House; the bill sponsored by Congressman Peter Smith and his colleagues, House Resolution 3258, which concentrates on critical language and area studies.

With your permission I would like to give the rest of my time t
Ambassador Harry Barnes.

[The information follows:]

Testimony of

Richard P. Unsworth
President
Critical Languages and Area Studies Consortium, Inc.

presented to
Subcommittee on Labor, Health and Human Services and Education
of the Committee on Appropriations of the House of Representatives

regarding

Critical Languages and Area Studies Consortium, Inc.

April 30, 1990

Background

The Critical Languages and Area Studies Consortium Inc. (CLASC) was created in 1988 and undertook its first activities in the course of 1989, the most important of which was a New England-wide conference on critical languages and area studies last October. Its first program activities for young people will take place in the coming months of 1990 and are described in more detail below.

In terms of accomplishments, CLASC's founding members have a distinguished record of experience (going back in some cases over one hundred years), whether in delivering high quality secondary education in the case of the Northfield Mount Hermon School and the Cushing Academy, or in the unparalleled diversity of programs of the Experiment in International Living and its School for International Training, ranging from advance degree programs in the teaching of languages to citizen exchange to technical assistance programs in the Third World.

In addition to its three founding members, secondary schools and institutions of higher learning have joined CLASC as associate members this past year. They now include: the New Haven (Connecticut) public schools, the Brattleboro (Vermont) Union High School, The Breck School (Minneapolis, Minnesota), the Williston-Northampton School (Easthampton, Massachusetts), the North Fulton High School (Atlanta, Georgia), the Buckingham, Browne and Nichols School (Cambridge, Massachusetts), Middlebury College (Middlebury, Vermont), and the Monterey Institute of International Studies (Monterey, California). Each of these institutions, in turn, has significant experience and strong interest in promoting the study of critical languages and area studies. They represent, as well, a broad diversity of public and private institutions. At the secondary level, which is where CLASC is focusing its efforts, the schools also represent a considerable diversity in their populations.

## National Scale and Urgency of the Task

CLASC was created to respond creatively to the growing gap between the needs for qualified Americans in the critical languages and area studies and the actual availability of such persons. CLASC's goals also reflect an appreciation of the current situation in which the United States finds itself in a situation that calls for prompt action.

Once viewed by ourselves and by others as the undisputed leader of the Western world, the United States faces a future that many observers predict will see the decline of American political and economic influence and the rise of Japan, China, and other countries of the Pacific Rim. At the same time, significant changes are taking place within the Soviet Union and in U.S.-Soviet relations. As these changes are occurring, the world is becoming both more volatile (witness the Middle East) and more competitive (1992 Common Market integration) and yet will require new forms of cooperation to avoid and mitigate a wide host of problems with world-wide implications. Neither cooperation nor competition for the United States will be really successful unless we thoroughly understand this changing environment.

One of the essential tools for teaching such understanding in these next decades is mastery by a sufficient number of Americans of the languages and area studies relevant to the parts of the world that are assuming increasingly great importance. These are the critical languages; and without a firm grounding in these languages and the cultures, economic and political institutions of the countries concerned, we cannot market our products effectively there nor anticipate their actions so we can challenge or cooperate with them.

Unfortunately our educational system has not provided the necessary capabilities to meet these demands. Despite the fact that the President's National Commission on Education warned that critical foreign language -- currently defined as including Japanese, Chinese, Russian, and Arabic --

competence requires 1,735 hours of Chinese language training as compared to 325 hours of Spanish to meet minimal professional requirements) and "should be started at the elementary grades," only nine states require some foreign language study, and of these only two (New York and the District of Columbia) require it for graduation from high school. As a result, no effective curriculum has been developed for elementary and secondary students in these languages. Nationwide, enrollments in foreign language elementary and secondary classes are moving up again after dropping a decade or so earlier, but for the critical languages only 21 states have any courses at all in Japanese or Russian, 17 in Chinese and only 5 offer Arabic.

The common concern of members of the Consortium is the dearth of talent being trained in this country in the critical languages. We cannot presently supply our needs for language-proficient personnel in the military, in our diplomatic corps or in our business community. We are at an increasing competitive disadvantage. Not only do our business representatives often lack the ability to carry on negotiations in Chinese, Russian, or one of the other languages, they also frequently miss the important "signals" in a business conversation which will tell them when to press their interests and when to step back and listen to the interests of their trading partner. In diplomacy, we have been too often been embarrassed by a lack of persons able to translate an important situation or event. When Russian soldiers first defected in Afghanistan and sought the protection of the American embassy, we were unable to interrogate them, for want of a single Russian speaker on our staff.

Our relative world position and the challenges we will be facing create a level of need greater than that which prompted passage of the National Defense Education Act of 1959 which authorized immediate concentration of resources in science and foreign language training. There are more English teachers in the Soviet Union than there are students of Russian in the United States and more students of English in China than there are people in our own country. We simply do not have an adequate supply of teachers of Japanese, Chinese, Russian, or Arabic to create the critical mass needed to reverse the critical language and area studies deficit.

In addition, the deficit has serious security implications. The federal government is unable to fill over a third of its senior positions which require critical language and area studies competence. In FY '87, Congress authorized a special pay incentive program for the Department of Defense to try to meet some of the gap. Similar programs exist for agencies like State, NSA, and CIA, but they can meet only a small part of the overall national need.

It is not that we Americans are incapable of training people well, for we have a small cadre of gifted teachers; but the deficit of language-qualified citizens is growing as the needs grow. What we lack is the critical mass of teachers needed to reverse the deficit. Distance learning technology may offer one approach to improve the situation, but the overall task is complex.

## Pedagogical Tasks

The particular strength of the Critical Languages and Area Studies Consortium is its design in yoking the talents and needs of secondary and higher education in addressing the country's foreign language deficit. Until now, virtually all instruction in these critical languages was done at the university level, with the result that the materials developed for instruction were geared not only to the developmental level of college students, but to the reading and research needs associated with scholarly pursuits in those languages and their literatures.

It should go without saying that a ninth grade student cannot learn Chinese quickly and efficiently using a college text. Yet that has been the only option for most Chinese programs at the secondary level. At Northfield

Mount Hermon, a large portion of the time of the Director of the Chinese Language and Culture program has been devoted to the development of teaching materials appropriate to high school students.

If rapid progress is to be made in the development of talent in these languages, urgent attention needs to be paid to the drafting of texts and other teaching materials specific to the learning styles of younger students. Further, the emphasis of these materials needs to be on enabling total communication, rather than aiming ultimately at research and other scholarly interests.

A second major pedagogical issue addressed by the Consortium is that of teaching training. One of the principle reasons for making the secondary-higher education link an essential ingredient in the Consortium is our recognition that the pool of teachers able to serve a secondary school population is far, far short of the present demand. Indeed, unless rapid strides are taken, the supply will fall increasingly short of the demand as schools around the country undertake to launch such programs.

Foreign language instruction requires many special skills beyond fluency in the language being taught. It is not enough to be a speaker of the language, even a native speaker. One must be able to convey to students the ability to utter the strange sounds of a new language, have the imagination of an artist in festooning the classroom walls with images of the country and culture, be competent in using such new media as interactive video disk technology and satellite TV classroom exchange, and have such a developed level of nuance in the language that conveying grammar, propriety and aptness in expression will be second nature.

The training of new teachers and the professional development of those already in this rapidly evolving field is therefore an essential element of the Consortium program.

Technological developments already mentioned are becoming increasingly important in foreign language training. They are not "new toys" for the teachers. They are devices which introduce entirely new ways of learning, many of which are already demonstrated to be much more efficient of both time and resources than the means we have previously had available. Where these new technologies are already in place, as they are in a number of university classrooms, fascinating options open up. For example, it is now possible for students to walk through a marketplace, try out their bargaining skills and conclude a sale -- all by means of interactive video technology. It is also possible for students in American classrooms to catch the evening news from Moscow, to exchange videotaped debates and discussions with contemporaries in classrooms abroad, and to engage in a host of other activities akin to the experience of living and traveling in the country whose language is being studies. The contribution of these technologies to both the speed and depth of learning is self-evident.

Another reason for the link between secondary and higher education in the Consortium's focus is the need for further refinement of these technologies, a task appropriate to the scholars and researchers of a university faculty. The best of these developments takes place when the scholarly postulate is tested against the experience of the teacher in the classroom. Such partnerships are productive for both parties and, more important, for the students in these programs.

Obviously, by themselves, more teachers and students of critical languages and area studies will not solve our problems of world leadership cooperation and competition. But, it is clear that without substantial increases in our ability to understand the critical areas, our leadership will invariably suffer. Serious efforts in the area of critical languages and area studies are an investment in our ability as a nation to understand the world in which we live and respond to and affect that world. It is a world where the lines between allies and adversaries are blurred, where we compete with some of our closest allies and cooperate with some of our traditional adversaries. Americans need to know that world and know it well.

Objectives

The National Governors' Association in late February adopted a series of education goals. Under the category "Student Achievement and Citizenship" the governors set out as two of their objectives:

"The percentage of students who are competent in more than one language will substantially increase" and

"All students will be knowledgeable about the diverse cultural heritage of this nation and about the world community" (underlining added).

CLASC's objectives are to develop programs in the study of critical languages and cultures for pre-college student and training programs as well for teachers in these fields. CLASC begins with the immediate pre-college years, because each of the languages and cultures involves mastering knowledge that is sufficiently different and difficult for Americans that the process needs to begin earlier. At the same time, CLASC is focusing on the high school period because students who are able to make that earlier start will have resources on which they can draw in the form of university programs once they reach that level. By way of initial pilot efforts, CLASC is sponsoring intensive programs for high school juniors and seniors this summer in both Arabic and Japanese, with the assistance of the Mellon and Culpeper Foundations respectively. In addition, as part of its initial work with high school teachers, CLASC is one of the organizers, together with the Peace and World Security Studies program of Hampshire College, of a week's seminar on critical world issues, and with the Five Colleges of a two-day workshop on the Middle East. During the coming school year, CLASC will remain in touch with both the students and teachers and in it looks forward to organizing intensive summer programs for students in both Japan and the Middle East in 1991.

## The Federal Government's Role

As indicated already, CLASC has already received some foundation support. Other foundations have played significant roles in recent years: the Geraldine R. Dodge Foundation, which helped launch a number of Chinese studies programs, and the U.S. Japan Foundation, which has been promoting the study of Japanese, are good examples. Nonetheless, there is a steadily growing discrepancy between requirements for citizens who can truly understand and deal with persons from the critical language areas and the likely availability of such citizens. A score or so of schools offer Arabic, about two hundred provide Chinese, and some five hundred each teach Russian and Japanese. Simply to double those numbers and to train the necessary teachers and develop the curriculum fitted for pre-collegiate study are tasks beyond the capabilities of the foundations or the private sector. The need is national and the response ought to be national as well, with the federal government joining in the efforts of the states and the private and nonprofit sectors. A bill such as that introduced by Mr. Smith of Vermont (H.R. 3258) or Section 7 of Mr. Panetta's bill (H.R. 2188) take up this challenge, and offer vehicles for starting to meet the need.

The role of the federal government in meeting the crisis in critical language competence is best described as "leverage." By supporting efforts to address the issue, the federal government fixes national attention on the issue and provides the initial momentum for the effort required to get the supply lines going. Probably the greatest obstacle to gaining the needed momentum on this issue has been the tangle of interconnected deficits with which we continue to be faced: not enough students taking the languages; school committees reluctant to inaugurate and fund new courses with initially low enrollments; publishers hesitant to invest in materials for which there might not be an adequate market; potential teachers looking to other fields to employ their linguistic talents either because the salary competition is so stiff or because of the uncertainty of finding appropriate jobs in secondary education; university faculties training students for the near-term and urgent markets in business and diplomacy rather than secondary school teaching, etc.

There is adequate evidence of a rising recognition at both secondary and higher education levels of the importance of making breakthroughs in the field of critical languages. The role of the federal government cannot be that of taking full responsibility for meeting such a broad scale educational need. Its role can and should be that of priming the pump. It should expect and require responses from the private sector in the spirit of shared responsibility.

How could such funds be effectively used? H.R. 3258, for example, talks about improving and expanding the institution of critical languages and area studies through the development, construction and acquisition of educational equipment, materials and facilities. CLASC, for example, will be introducing an Arabic computer interactive program during its summer intensive session this year. That sort of program and others in other languages could be developed and made available to schools in every state by helping to provide the necessary computer equipment as well. It ought to be possible for American high school students to study each of the four languages and cultures in each of the 50 states and not just in a fraction of them. Summer intensive programs, which build on school year learning but also reinforce it strongly, likewise ought to be available for youngsters from every state, perhaps using the vehicle of Governors' Summer Institutes which already exist in some states, though usually not in this field.

H.R. 3258 also speaks of the development of teacher training programs, texts and curriculum. Here the efforts would range from providing incentives to would-be critical language teachers in exchange for a term of service to upgrading the qualifications of existing teachers and broadening their skills to encompass a full range of culturally relevant subjects. This is an area where programs in distance learning could be developed to create opportunities for students whose schools could probably never afford to have a resident teacher of all four languages or perhaps not in any of them. Program production facilities for courses in both the critical languages and area studies would be another important activity that would be stimulated by federal funding. Curriculum development thus could proceed in parallel both along a distance learning and a text and audio track. In the development of any programs for critical languages and area studies, CLASC believes it essential to include teachers from both secondary schools and colleges so that both can contribute to helping high school students increase their skills in ways that will enable them to take the best possible advantage of university level learning. In fact, CLASC believes that universities will find it necessary to modify their own curricula as they begin receiving more students who finish high school already well on their way to achieving real competence in one of these languages and cultures which most Americans have thought of as exotic. The objective of the Critical Languages and Area Studies Consortium is to make these four languages and others like them no longer exotic nor "less commonly taught," but rather a common element of America's educational environment. Only thus will we be prepared for our necessary involvement with the changing world.

Mr. Natcher. We will be glad to hear from you.

Mr. Barnes. Thank you, Mr. Chairman. As the last of the last, I will try to be brief as well.

I want to use the few minutes we have left to make three points on my work as director general of the Foreign Service and director of personnel and ambassador to three countries.

One, as an ambassador, you cannot be truly effective unless you can communicate in the language most people in the country use, unless you feel at ease in their surroundings.

Two, Americans are perfectly capable of learning critical language and being at home in other cultures, but not enough of us try, and when we do it is often late.

Three, the National Governors' Association has just now set as objectives that the percentage of students who are competent in more than one language will substantially increase and all students will be knowledgeable about the diverse cultural heritage of this nation and the world community.

As an ambassador I would not go to a country until I had enough command of the language to be able to function well. I kept insisting that in the embassies of which I was in charge, we could not pretend to understand what was happening around us unless the great majority of the staff could express what they meant and understand what they were seeing.

How does this relate to the Consortium that Dr. Unsworth has? All four areas in which we are working present languages or cultures that are not easy for Americans to master. It takes five times as long to achieve the level of proficiency in Chinese as it does in Spanish.

We direct our efforts toward the secondary schools in the belief that high school students who start to learn well at that level will be successful in college. We are providing a continuing approach which provides academic year work with intensive programs here and abroad. Given the diversity of our membership, public schools, private schools, universities, we think we are in a good position to do that.

The Federal Government can encourage the building of networks around the country to provide people that ability to communicate effectively and be at home in foreign countries. Simply put, we would be in a much better position to be able to compete successfully and cooperate successfully because we will know much better what we are doing.

Mr. Chairman, I will conclude by mentioning a couple of instances from my own career as to why languages make a difference.

In 1969 President Nixon came to Romania, the first American president to visit Eastern Europe since the Second World War. Two days before he arrived the White House sent the embassy a telegram saying the embassy should designate an interpreter for the President on all public occasions. The ambassador chose me. It was only 60 seconds before the President stepped before the microphone that I was shown the text of what he would say, in English of course. I survived and went on to communicate for him and President Carter later.

Ten years later I went to Nepal and I could speak street Nepali, the language spoken in the streets.

My last assignment in the Foreign Service was Chile. There our mission was to promote the turn of that country to democracy, a message I had to convey not only to the government of Pinochet but Chileans of all walks of life, in the cities, in the streets, chambers of commerce. I just was back there at the inauguration of the first democratically elected president in 20 years. The United States is held in high esteem there.

It is not a matter only of ambassadors; people in business, scientists, teachers, students, it applies to them as well. One of the most impressive young Americans I know was a young woman who was able to take advantage of a short-lived but intensive program in New York on Chinese. She is probably now the leading person involved in doing business with China. Fluency means effective communication. Increasingly internationally that is the name of the game.

Thank you.

Mr. NATCHER. Thank you very much. We appreciate your presentation. Both of you have made excellent statements.

The committee will now adjourn until 10:00 in the morning.

TUESDAY, MAY 1, 1990.

# EDUCATION FOR THE HANDICAPPED

## WITNESS

**SCOTT MARSHALL, DIRECTOR, GOVERNMENTAL RELATIONS DEPARTMENT, AMERICAN FOUNDATION FOR THE BLIND, INC.**

Mr. NATCHER. Our first witness this morning is Mr. Scott Marshall. We are glad to have you back before the committee, Mr. Marshall.

Mr. MARSHALL. Good morning, sir.

Mr. NATCHER. We will be pleased to hear from you.

Mr. MARSHALL. Mr. Chairman, thank you very much.

Indeed it is a pleasure to be back with you. I want to thank you and your staff for accommodating my schedule. I have the privilege of attending a press conference with our President later this morning, accordingly, my time on today's witness schedule was adjusted.

I am as you know with the American Foundation for the Blind here in Washington, D.C. We have submitted our statement for the record.

In the interest of time, I would like to just highlight a couple of items which we think are particularly critical for blind and visually impaired people at this time.

Mr. Natcher, a few months ago I received a letter from my Braille teacher whose responsibility it was to transcribe mathematics examples and other materials into Braille while I was in high school. She said all sorts of nice things about my career and how proud she was that I had accomplished something in life.

But then she went on to say, "You know, Scott, you taught me about the value of Braille." That is really my message to you today. We have a very critical shortage of special education personnel who are qualified to teach blind children in this very important method of literacy. Many programs that are training such teachers are closing for lack of funds and many teachers are not going into the profession because quite frankly there is not enough salary money to make the extra effort of learning Braille and these other skills necessary to teach blind children worthwhile.

We hope you will entertain our funding request but in addition perhaps consider asking the Department of Education to look at ways of how we can address this problem in a very creative manner, perhaps methods such as loan forgiveness, matching grants to university programs, et cetera which will keep these programs that train teachers for low incidence populations open because we are seriously going to be in a very bad state in just a few years from now.

The second and final issue I want to raise with you this morning, sir, is a new area for the American Foundation for the Blind. That is in the area of AIDS and vision loss. Our foundation just published a book, I have a copy of the tape in my hands, called "AIDS and Vision Loss". This was done with the assistance of the Robert Wood Johnson Foundation. As more and more people with AIDS live longer, these people are having to deal with secondary disabilities, one of which is loss of vision. This book is intended to provide information to service providers about how to address the special needs of people with AIDS who also have to deal with the trauma of losing their sight and all of the problems that flow from that condition as well.

In addition, the American Foundation for the Blind is pleased to participate with CDC in developing some educational curricula and materials to get information about AIDS and AIDS-prevention out to blind and visually impaired people. There is not much out there at the moment.

We are pleased to work with CDC in this regard. Accordingly, this year we are including the CDC budget item in our appropriation request.

Thank you very much for your time, sir. I will certainly be available to your staff to further amplify on these and the other points in the statement. As usual, you have a tough job of deciding how a limited amount of money is going to go around to an awful lot of worthy causes.

Thank you.

Mr. NATCHER. Thank you very much, Mr. Marshall. You have given us an excellent statement. We appreciate your appearance. You come back and see us.

Mr. MARSHALL. Thank you.

[The statement of Scott Marshall follows:]

# Testimony

of

# The American Foundation for the Blind

by

Scott Marshall, Director
Governmental Relations Department

Before the Subcommittee on Labor, Health and Human Services, Education
and Related Agencies
Committee on Appropriations
U.S. House of Representatives

101st Congress, Second Session

May 1, 1990
10:00 a.m.

regarding

FY1991 Appropriations for Programs within the Subcommittee's Jurisdiction

**For further information contact:**
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American Foundation for the Blind
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The American Foundation for the Blind is a national nonprofit organization whose primary mission is to ensure the development, maintenance, and constant improvement of services for blind and visually impaired people in the United States.

Recognized as Helen Keller's cause in the United States, AFB works in partnership with more than 1,000 specialized agencies, schools, and organizations of and for blind people.

AFB fully supports the appropriations recommendations of the Consortium for Citizens with Disabilities and the Coalition on Technology and Disability . Because of space limitations our statement will highlight only those programs on which we believe we can provide a unique perspective.

(All dollar figures are in millions)

*Special Education Personnel Development*

| FY1989 Appropriation | FY1990 Appropriation | FY1991 Authorization | President's FY1991 Request | AFB FY1991 Recommendation |
|---|---|---|---|---|
| 67.09 | 71.0 | pending | ----[1] | 95. 0 |

This funding level would return this program to the level authorized prior to the authorization reductions of the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35). We are seriously concerned about the shortage of teachers who are trained to deal with the unique needs of blind and visually-impaired children. Congress needs to fund these programs at the recommended level to insure an adequate supply of qualified personnel who can instruct blind children in such skills as orientation and mobility and the use of braille.

*Special Education Technology*

| FY1989 Appropriation | FY1990 Appropriation | FY1991 Authorization | President's FY1991 Request | AFB FY1991 Recommendation |
|---|---|---|---|---|
| 4.73 | 5.42 | pending | ----[2] | 11.9 |

Access to adaptive technology, such as talking computer terminals, has a significant impact on appropriate education for children who are blind or visually-impaired. Accordingly, Congress should fund part G as recommended to assist in the development and availability of new technologies.

*State Operated Programs (P.L. 89-313)*

| FY1989 Appropriation | FY1990 Appropriation | FY1991 Authorization | President's FY1991 Request | AFB FY1991 Recommendation |
|---|---|---|---|---|
| 148.2 | 146.39 | formula | 146.39 | 170.0 |

AFB believes that state-operated and state-supported schools for blind children are an important part of the continuum of placement options for blind and visually-impaired children, especially those who are multi-handicapped.

*Rehabilitation Services--Independent Living Services for Older Blind Individuals - Title VII, Part C*

| FY1989 Appropriation | FY1990 Appropriation | FY1991 Authorization | President's FY1991 Request | AFB FY1991 Recommendation |
|---|---|---|---|---|
| 5.7 | 5.9 | 6.56 | 5.83 | 6.56 |

By the year 2000, the number of people over age 75 will increase by 56 percent. Persons who become blind at a young age can be expected, for the most part, to share in this longevity. Also, blindness or visual impairment is often associated with the aging process. The fully authorized amount of $6.3 million is, in fact, inadequate to meet the growing needs of this population. An effort will be made to reauthorize this program as a formula grant with a substantial increase in authorized funds when the Rehabilitation Act is next reauthorized.

*Technology-Related Assistance Grants*

| FY1989 Appropriation | FY1990 Appropriation | FY1991 Authorization | President's FY1991 Request | AFB FY1991 Recommendation |
|---|---|---|---|---|
| 5.2 | 14.8 | such sums | 20.0 | 30.9 |

(National Programs--Title II)

The Technology-Related Assistance for Individuals with Disabilities Act (P.L. 100-407) is a new discretionary program created to increase access to assistive technology devices and services for individuals of all ages and disabilities.

AFB strongly believes that the full participation of all states is needed to insure the development of comprehensive and coordinated systems of delivery for assistive devices and related services. In addition, funding for Title II activities, such as the authorized study by the National Council on Disability concerning financial and other barriers to the acquisition of needed technologies, is necessary particularly since technology is an important component of the effective education, rehabilitation, and productive life of blind and visually-impaired people.

*Media and Captioned Films*

| FY1989 Appropriations | FY1990 Appropriations | FY1991 Authorization | President's FY1991 Request | AFB FY1991 Recommendation |
|---|---|---|---|---|
| 13.34 | 15.19 | pending | ----[3] | 16.1 |

AFB recommends an increase in the appropriation for the media and captioned films account (Section 653 of the EHA). Our recommendation would permit second year funding ($1 million) for video description services. Video description provides to blind persons a narration of the visual information presented on a television screen. Although the earmarked funds for video description services for FY1990 have not yet been obligated by the Dept. of Education, we believe that second year funding of this activity is vitally necessary so that the number of video described television programs and other materials can be expanded.

*Special Institutions--American Printing House for the Blind*

| FY1989 Appropriations | FY1990 Appropriations | FY1991 Authorization | FY1991 Presidents Request | AFB FY1991 Recommendation |
|---|---|---|---|---|
| 5.34 | 5.66 | such sums | 5.90 | 5.901 |

We recommend an increase for the American Printing House for the Blind over last year's funding level inasmuch as the number of students to be served continues to grow even though the appropriation for the Printing House has remained fairly constant over the past ten years. In addition to braille and talking book production, APH develops unique educational products which benefit blind children.

*Centers for Disease Control*

| FY1989 Appropriation | FY1990 Appropriation | FY1991 Authorization | President's FY1991 Request | AFB FY1991 Recommendation |
|---|---|---|---|---|
| 377.59 | 442.83 | 509.10 | 509.10 | 509.10 |

As the lead agency for HIV-related prevention activities within the Public Health Service, CDC has the responsibility to prevent primary infection with HIV and, where medically possible, prevent or delay the development of AIDS among those who already have HIV infection.

The American Foundation for the Blind is pleased to have the opportunity to work with the CDC in developing a curriculum for AIDS-related materials designed to reach blind or visually-impaired persons. In addition, the AFB has recently published, with the help of the Robert Wood Johnson Foundation, a book entitled, "AIDS and Vision Loss," which contains information for service providers in the blindness community who, for the first time, are now serving people with AIDS. Unfortunately, vision loss is a frequent secondary disability during the final stages of the disease.

Because of the increased need for outreach and prevention among blind persons and other special populations, we recommend CDC programs be funded at least at the President's Budget request level. This is a modest increase which some national organizations feel does not even come close to meeting the needs of the 500,000 people which CDC estimates are in need of early intervention services.

1. Legislation is pending to reauthorize discretionary activities under the Education of the Handicapped Act. An Administration request should be forwarded when authorizing legislation is enacted.

2. See Endnote 1.

3. See Endnote 1.

TUESDAY, MAY 1, 1990.

## IMPACT AID

### WITNESS

### HON. JOEL HEFLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Mr. NATCHER. Our next witness is our friend and colleague from Colorado-Springs, Mr. Joel Hefley.

Mr. HEFLEY. Mr. Chairman, I have some folks here for moral support.

Mr. NATCHER. We are glad to have you.

Mr. HEFLEY. Thank you, Mr. Chairman. I appreciate the opportunity to appear before you today. It is my understanding that you have had about 50 witnesses on Impact Aid. You have probably heard everything you ever wanted to hear and more on Impact Aid.

So with your indulgence what I would like to do is not read a statement to you but put it in the record and kind of summarize where I am.

Mr. NATCHER. All right. It will be included in the record.

Mr. HEFLEY. In addition to the 50 witnesses I know the Chairman has Fort Knox in his district so you know first hand what Impact Aid means. In my particular district we have the United States Air Force Academy and Peterson Air Force Base and the Fort Carson Army Base, all in the Fifth District of Colorado. That affects nine school districts and about 17,000 students. The Impact Aid then becomes a very crucial thing to the success of these school districts, these federally connected employees are there. The kids are in the schools because of the Federal Government.

I feel that the Federal government has a responsibility to deal with this and to help. These parents nor the employers make any contribution to the school district. In Colorado as I assume in most states, our school districts are funded through state funds through the property tax.

Most of these folks don't pay state income taxes. Their residence, their permanent residence is somewhere else. So they don't contribute from that avenue and most don't pay property taxes in the district because they live on the bases, et cetera.

So they are not making the contribution, therefore, Impact Aid becomes more crucial. It has steadily decreased over the last few years. In 1989 the schools in the Fifth District were entitled to more than $14,000,000 by the Impact Aid formula but received only $5,000,000.

The $8,000,000 difference is substantial, especially for districts like the Fountan-Fort Carson district where 63 percent of the students are federally connected.

In this particular school district's budget including Impact Aid, costs per pupil is $3955. If you take away the Impact Aid, you take way $700 from each pupil which means a substantial mil levy would have to go in to take care of it. In the Fort Carson area the Impact Aid has been no more than 40 percent entitlement over the past three years. To put this in perspective is to notice the amount of ground that is taken up, that is taken off the tax rolls for these military installations. The Air Force Academy rests on 18,000 acres at the edge of Colorado Springs. Peterson Air Force Base has 1176 acres. Fort Carson has 173,391 acres right at the edge of Colorado Springs, plus owns another site, the Canyon Manover site of 235,093 acres.

We are talking about hundreds of thousands of acres taken off the tax rolls where we are not getting property tax in order to support the schools. So without Impact Aid quality education is truly jeopardized, Mr. Chairman.

So I guess I would urge your subcommittee to fund the Impact Aid program to the fullest extent you possibly can. Both the A and B payments are crucial to the school districts in Colorado in order to maintain the quality of education and staff and facilities I think all of us want for our children.

Mr. Chairman, I really appreciate the opportunity to be here.

Mr. NATCHER. Thank you, Mr. Hefley. You have given us an excellent statement. We appreciate your appearance. You can rest assured every consideration will be given to your request.

Mr. HEFLEY. Thank you very much.

[The information follows:]

# TESTIMONY

# OF

# THE HONORABLE JOEL HEFLEY

# 5TH DISTRICT - COLORADO

STATEMENT ON THE FEDERAL IMPACT AID PROGRAM, GIVEN BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, AND EDUCATION OF THE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN.

APRIL 26, 1990

MR. CHAIRMAN:

Thank you for allowing me to present testimony in support of the Impact Aid program and, specifically, on how the program affects the 5th District of Colorado.

As you know, Mr. Chairman, the United States Air Force Academy, Peterson Air Force Base and Fort Carson Army Base all reside in my district, affecting a total of nine school districts and nearly 17,000 children.

Impact aid is crucial to the vitality and success of these school districts. It is the federal government's responsibility to provide support to children who are in these schools because of the federal government. The local taxpayers alone, cannot be expected to absorb these costs.

Neither the parents nor the employer make any contribution to the school system's revenues through the local tax structure, therefore leaving a hollow gap that must be filled with federal funds.

Over the past three years, impact aid funding has steadily decreased, making the gap even larger. In 1989, schools in the 5th district were entitled to more than $14 million in federal impact aid payments, but received only $5 million. The $8 million difference is substantial, especially for districts such as the Fountain-Fort Carson district where 63% of the students are militarily connected.

In this particular school district's budget, including impact aid, cost per pupil is $3,955. Without it, there is a reduction of $700 available per pupil. In order to offset this, a mill levy increase of nearly $57 million is needed.

In the Air Force Academy school district, impact aid funding has been no more than 40% of entitlement for both "a" and "b" students in the past three years.

Section Two payments are critical for those districts who must compensate for lost property taxes. The Air Force Academy rests on 18 thousand acres of land and Peterson Air Force Base has 1,176 acres. Ft. Carson, in addition to its 137,391 acres, owns the Pinon Canyon Manuever Site, which lies on 235,093 acres. These are huge amounts of government owned land, that don't pay property taxes into the school system.

Without impact aid, the quality of education is truly jeopardized for students who attend impacted schools. Federally connected students are highly mobile, and often they enter school academically behind other students and are in need of assistance to get them up to speed.

Impact aid is designed to rectify such problems, however being partially funded, our schools are left to suffer the consequences.

I urge your subcommittee to fund the impact aid program to the fullest extent possible. Both "a" and "b" payments are crucial to the school districts in Colorado in order to maintain quality educational programs, staff and facilities.

Thank you Mr. Chairman.

TUESDAY, MAY 1, 1990.

## PATRICIA ROBERTS HARRIS GRADUATE EDUCATION PROGRAM

### WITNESSES

DR. ERNEST J. MIDDLETON, ASSOCIATE DEAN, THE GRADUATE SCHOOL, UNIVERSITY OF KENTUCKY, ON BEHALF OF THE NATIONAL ALLIANCE FOR MINORITY GRADUATE AND PROFESSIONAL EDUCATION

DR. WILLIAM McHENRY, ASSOCIATE DEAN, THE GRADUATE SCHOOL, MISSISSIPPI STATE UNIVERSITY

DR. WINFRED STONE, ASSOCIATE DEAN, THE GRADUATE SCHOOL, BOWLING GREEN UNIVERSITY, OH

Mr. NATCHER. Our next witness is Dr. Ernest Middleton. We will be pleased to hear from you. Everything is quiet and peaceful in Fayette County.

Mr. MIDDLETON. When I left it was.

Mr. NATCHER. We will be glad to hear from you.

Mr. MIDDLETON. Mr. Chairman and Members of the subcommittee I am pleased to present testimony to you today in support of adequate funding for the Patricia Robert Harris, PRH, Graduate Minority Fellowship program, and other programs supporting Minority Graduate Education. My name is Ernest Middleton, Associate Dean of the Graduate School and Director of the Patricia Roberts Harris program at the University of Kentucky. It is in both capacities that I appear in support of this program. Accompanying me this morning is Dr. William McHenry, Associate Dean of the Graduate School at Mississippi State University and Dr. Winfred Stone, Associate Dean of the Graduate School in the Bowling Green University in Ohio. We believe an increase in support for the Patricia Roberts Harris fellowship program will allow the University of Kentucky and other colleges around the nation to maintain the momentum we have now acquired in attracting and educating minority students.

The under representation of the minorities in graduate schools has reached crisis proportion. To this date the PRH program is the major federal initiative currently addressing this particular crisis.

From 1978 to 1988 the PRH program has assisted over 4100 minority individuals and women in their pursuit of graduate or professional degrees. Over 2000 minority and women students have completed graduate or professional degrees with the help of the PRH program. Many more minority and women students became interested in graduate programs as a result of the PRH program. Mr. Chair in 1977, 684 African American men completed doctoral degrees, but in 1988 only 311 African American men completed the earned doctoral degree; a 54 percent decrease in the production of African American male Ph.D. recipients. Since 1978, the PRH program has addressed this crisis by assisting over 4000 minority individuals in their pursuit of graduate and professional degrees.

To profile one such program at the University of Kentucky, the College of Law has been highly successful in recruiting and graduating minority students through the PRH program. Mr. Darryl Lewis received a juris prudence doctorate in 1988; Mr. Keith Hunter in 1986; Mrs. Betty Martin in 1984 and Deborah Spotts

Merchant in 1985. It is unlikely that these African American men and women could have financed their graduate education without the support of the PRH program. For 1991 the President recommended $17,078,000, an increase of $1,746,000 over the current fiscal year 1990 level. This would not resort the PRH program to the number of fellowships it supported before the new Higher Education Act was reauthorized in 1986.

The Higher Education Act Reauthorization of 1986 modified the Graduate Professional Opportunity Program by redesignating it as the Patricia Roberts Harris Fellowship Program. The program was significantly improved by increasing the level of each fellowship to $16,000 per year from the level of $8400 per year. This program improvement, however, created a significant gap in the Education's Department's ability to continue to fund the same number at the increased rate. Because of the increased stipend level, an increased appropriation is necessary for fiscal year 1991 to restore the number of fellowships to the pre-1987 level. If just the current level of funding were maintained, the number of fellowships available to support minority individual and women would be approximately reduced by one-third the number that was available before the 1986 enactment of the Higher Education Act.

A fiscal year 1991 appropriation of $23,300,000 would allow restoration of fellowships to the fiscal year 1986 level of 1400 and provide the higher stipend Education Act Amendments of 1986. Among these fellowships about 500 would be new and would assure a continuation of progress for minorities seeking graduate education. It is likely, if funding for this program is not increased significantly, that new fellowships would decline for several years, thus, severely undermining the intent of the program and eliminating a great number of opportunities for African Americans and other minorities who wish to seek graduate professional education.

Mr. Chairman, we vigorously support an increase in the President's request for fiscal year 1991.

Thank you, very much.

Mr. NATCHER. Thank you very much, Mr. Middleton. We appreciate your appearance along with the other two gentlemen that you have with you. Certainly every consideration will be given to your request. We are well acquainted with Mrs. Harris. She appeared before our subcommittee on many occasions. She was an able lady.

[The statement of Dr. Ernest J. Middleton follows:]

**NATIONAL ALLIANCE FOR MINORITY GRADUATE AND PROFESSIONAL EDUCATION**

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(On 2nd Street, Between E and F Streets)
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Testimony Presented

to the

HOUSE
Labor, Health and Human Services, and Education,
and Related Agencies Subcommittee

on behalf of

The National Alliance for Minority
Graduate and Professional Education

by

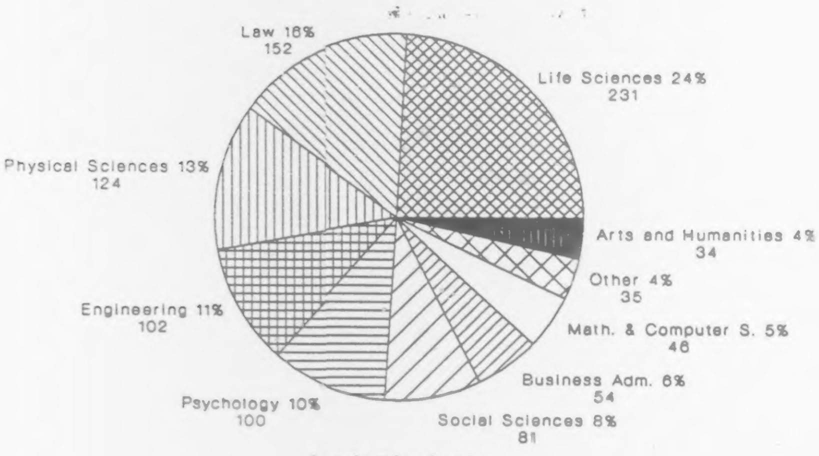
Dr. Ernest J. Middleton
Associate Dean, the Graduate School
University of Kentucky
Lexington, Kentucky

May 1, 1990

Mr. Chair and Members of the Subcommittee, I am pleased to present testimony to you today in support of adequate funding for the Patricia Roberts Harris (PRH) Graduate Minority Fellowship program, and other programs supporting Minority Graduate Education. ①

Mr. Chair, the nation and higher education face a crisis in the underproduction of minority individuals achieving doctoral degrees. The PRH program is the major

## PATRICIA ROBERTS HARRIS
## FELLOWSHIP PROGRAM FOR 1988



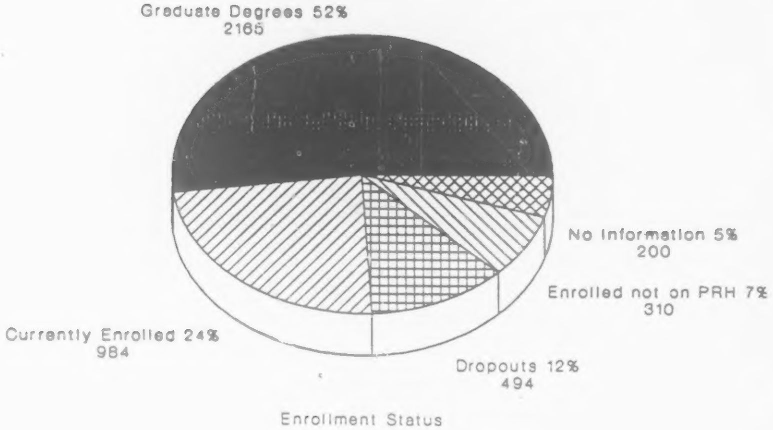
source: U.S. Department of Education

federal commitment currently addressing this crisis. The Patricia Roberts Harris Graduate Minority Fellowship program (formerly known as the Graduate and Professional Opportunity Fellowship program) authorizes the Secretary of Education to award discretionary grants to institutions of higher education to assist minorities and women to undertake graduate and professional study in fields in which they have been traditionally under-represented. The Department allocates fellowships on a competitive basis to institutions with doctoral and professional degree programs in which there is a national need for highly trained individuals. The institutions, in turn, recruit individuals from under-represented groups and award fellowships to students who demonstrate financial need and who plan to pursue advanced degrees in approved academic areas.

In 1985-86, minority group representation in the program included: African Americans (41%), Hispanics Americans (21%), Asian Americans (11%), Americans Indians (6%), and European American females (21%). Women, overall, comprised more than 50 percent of the 1,417 fellows supported during academic year 1985-86. It is very questionable whether these individuals would have pursued graduate study without this program. Students studying in the fields of engineering and the physical and life sciences received over 50 percent of the fellowships awarded in 1985.

From 1978 to 1988 the PRH program has assisted over 4,100 minority individuals and women in their pursuit of graduate or professional degrees. Over 2,000 minority and women students have completed graduate or professional degrees with the help of the PRH program. Many more minority and women students became

## Patricia Roberts Harris Fellowships
### From 1978 to 1988

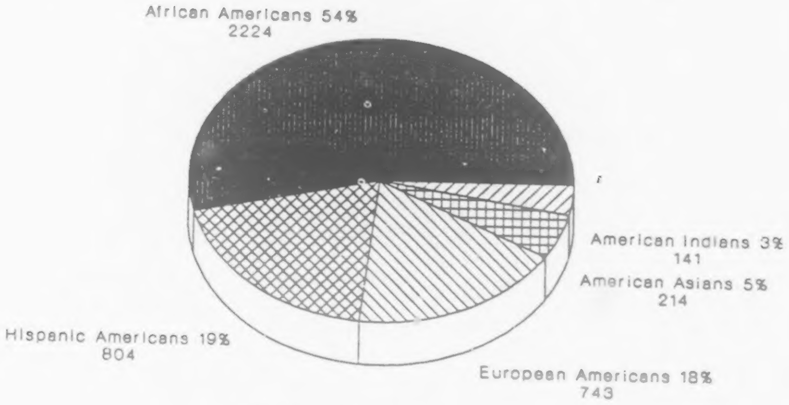


**Source: U.S. Department of Education**

interested in graduate programs as a result of the PRH Program. Mr. Chair in 1977, 684 African American men completed doctoral degrees, but in 1988, only 311 African American men completed the earned doctoral degree; A fifty-four percent decrease in the production of African American male Ph.D. recipients. Since 1978, the PRH program has addressed this crisis by assisting over four thousand minority individuals in their pursuit of graduate and professional degrees. ②

At Mississippi State University, Mr. Quiton Booker (D.B.A. - Accounting), Mr. Nathaniel Keys (Ph.D. - Horticulture), Mr. Keith Parker (Ph.D. - Sociology), Mr. James

Smith (Ph.D. - Chemistry), Mr. Kenneth Stallings (Ph.D. - Poultry Science), and Mr. Floyd Woods (Ph.D. - Horticulture) were able to complete their graduate degree programs with the help of PRH fellowships. It is unlikely that these African American men could have financed their graduate education without the support of a PRH fellowship. From 1978 to 1988 over 4000 PRH fellowships have been awarded. African Americans (54%), American Indians (3%), American Asians (5%), European American (18%), and Hispanic Americans (19%) have been represented as recipient of PRH fellowships. The PRH has a very low dropout rate. Less than 15% of PRH

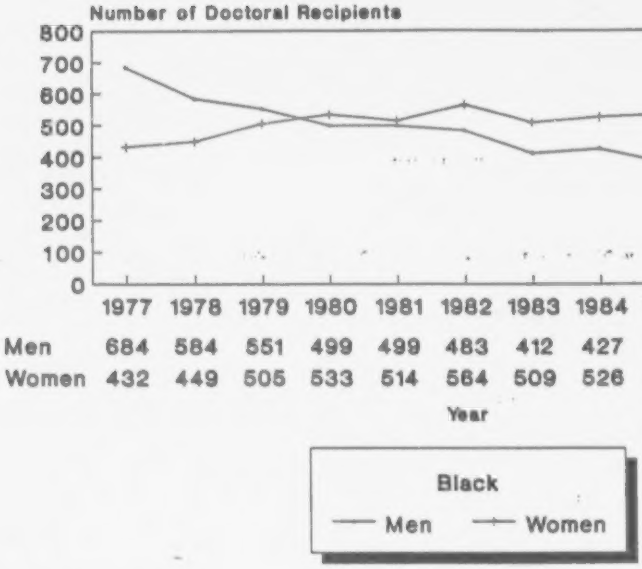


Patricia Roberts Harris Fellowships
From 1978 to 1988

PRH Fellowships by Ethnicity

Source: U.S. Department of Education

**Doctorate Recipients**
**By Sex, Race, and Citizenship**



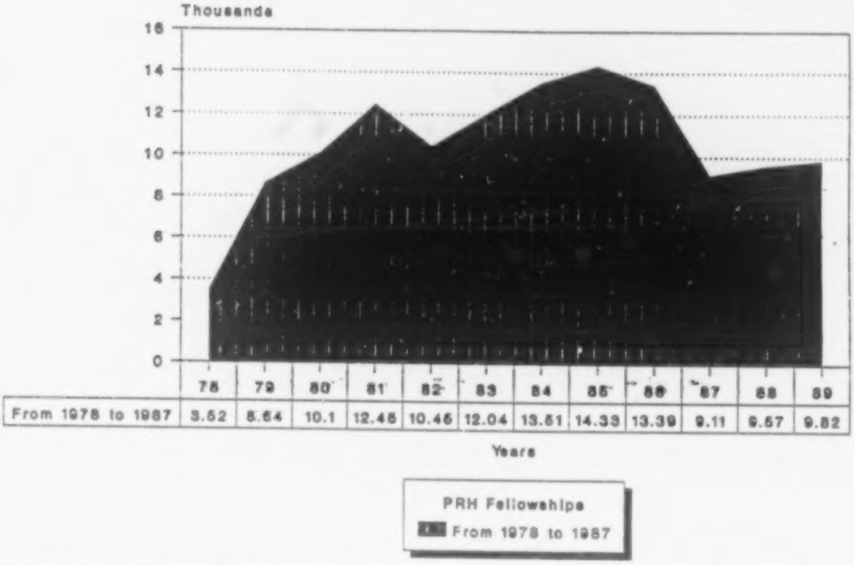
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Men | 684 | 584 | 551 | 499 | 499 | 483 | 412 | 427 | 379 | 421 | 317 |
| Women | 432 | 449 | 505 | 533 | 514 | 564 | 509 | 526 | 533 | 499 | 448 |

Source: National Academy Press

fellows have terminated their degree program without a degree. Nationally, graduate school dropout rates are estimated to be as high as fifty percent. As you can see, Mr. Chair, this program, while modest in the scope of the entire education budget, represents a very significant contribution in resources to continue opportunities for minority students and for the institutions that train these students.

For Patricia Roberts Harris Graduate Fellowships for FY 1991, the President has recommended $17.78 million, an increase of $1.746 million over the current FY 1990 level. This would not restore the PRH program to the number of fellowships it

## Patricia Roberts Harris Program
### Overview



| | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| From 1978 to 1987 | 3.52 | 8.64 | 10.1 | 12.46 | 10.46 | 12.04 | 13.51 | 14.33 | 13.39 | 9.11 | 9.57 | 9.82 |

Source: U.S. Department of Education

supported before the new Higher Education Act was reauthorized in 1986.

The Higher Education Act Reauthorization of 1986 modified the Graduate Professional Opportunity Program by redesignating it as the Patricia Roberts Harris Fellowship Program. The Program was significantly improved by increasing the level of each fellowship to $16,000 per year from the level of $8,400 per year. This program improvement, however, created a significant gap in the Education Department's ability to continue to fund the same number of fellowships at the increased rate. Because of the increased stipend level, an increased appropriation is necessary for FY'91 to restore the number of fellowships to the pre-1987 level. If just the current level of funding were maintained, the number of fellowships available to support minority individual and women would be approximately reduced by one-third the number that was available before the 1986 enactment of the Higher Education Act.

An FY'91 appropriation of $23,300,000 would allow restoration of fellowships to the FY'86 level of 1,400 and provide the higher stipend Education Act Amendments of 1986. Among these fellowships about 500 would be new and would assure a continuation of progress for minorities seeking graduate education. It is likely, if funding for this program is not increased significantly that new fellowships would decline for several years, thus, severely undermining the intent of the program and eliminating a great number of opportunities for African Americans and other minorities who wish to seek graduate professional education. ③

Mr. Chair, we have listed below, in chart form, the status of the program, and our recommendations. Currently in FY'90, there is a significant decrease in the number of fellowships being funded compared to previous levels. The recommendations that our organization makes will restore the number of fellowships to 1,400.

| | FY'86 | FY'89 | Proposed FY'91 |
|---|---|---|---|
| Funding | $11,250,000 | 15,711,000 | 23,300,000 |
| Fellowships | 1,428 | 1,011 | 1,400 |

## Minority Participation in Graduate Education

Mr. Chair, another critical initiative that needs additional support is the Minority Participation in Graduate Education program. This program provides fellowships assistance to encourage and help prepare talented and needy minority undergraduate students to pursue graduate study. We support the President's request of $6.094 million for FY'91.

I am pleased to respond to any questions you have.

TUESDAY, MAY 1, 1990.

## URBAN SCHOOL SYSTEMS

### WITNESS

### MICHAEL CASSERLY, ASSOCIATE DIRECTOR, COUNCIL OF THE GREAT CITY SCHOOLS

Mr. NATCHER. The next witness is Michael Casserly. We will be pleased to hear from you.

Mr. CASSERLY. Good morning. My name is Michael Casserly and I am the Associate Director of the Council of the Great City Schools. I am pleased to have this opportunity to testify before this subcommittee on fiscal year 1991 federal appropriations for elementary and secondary education. I would like to describe urban school goals and the progress urban schools are making in the government's crucial financial role in helping us sustain our many gains.

I would like to acknowledge the leadership of the Chairman and this subcommittee in providing substantial new federal funding for education over the last few years. Since 1986 federal funding for elementary and secondary education has increased 40 percent because of your efforts. These increases are playing a major role in the national focus to improve our educational system and your advocacy is deeply appreciated.

Mr. Chairman, our urban schools and those in the rural south are the focal points of the President's and governors' concern about education reform and improvement. Their recent efforts to establish national goals spurred our own inner-city schools to draft and approve its own comprehensive targets for the year 2000. These overall goals include: by the year 2000, urban school students will increase their achievement to at least the national average. By the year 2000, all urban children will start school ready to learn. By the year 2000, urban schools will increase their graduation rates so they are comparable to the national average. By the year 2000, urban school graduates will be adequately prepared to enter higher education, pursue career opportunities and exercise their responsibilities as citizens. By the year 2000, urban schools will be adequately staffed with qualified teachers who are culturally and racially sensitive and who reflect the racial characteristics of their students. By the year 2000, urban schools will be free of drugs and alcohol, students will be well-nourished and healthy, and schools will be well-maintained and safe.

These goals, and their accompanying objectives, indicators, and strategies, are designed to focus our own efforts, and to ensure the public of the seriousness with which urban schools are taking their own improvements. There is no secret about urban schools being furthest behind in meeting national goals than any other sector.

Urban school efforts over the last few years, and the moderate increases in federal funds have brought some achievement gains among urban youth. These gains have been sufficient to close the gap in test scores between majority and minority students according to the National Assessment for Educational Progress, and large enough to bring many urban schools up to grade on standardized national exams.

City schools are making major strides, with the help of federal funds, to institute major reforms, test school-based management efforts, boost parental involvement, and pilot new efforts in schoolwide projects, compensatory education, dropout prevention, magnet schools and preschool education. The national data indicate that these efforts and the funds that make them possible are bearing fruit.

But, the slope of these gains is too flat to get us to our goals by the year 2000. The Council and others in the education community called for a major increase in federal support for education at the beginning of the year to enable us to meet these national goals. The Council continues to believe that these increases are warranted. The goals have not disappeared even though the budget room might have.

Mr. Chairman, I would like to make a few brief recommendations. The Council of Great City Schools recommends boosting total federal funding for elementary and secondary education by $11,100,000,000 over fiscal year 1990, a virtual doubling of commitment.

The Council would also propose that approximately 50 percent of any increases devoted to elementary and secondary education be allocated to the Chapter 1 program, and 10 percent of that to its companion Concentration grant provision. The Concentration grants continue to provide a substantial boost to schools with unusually high proportions or numbers of poor children—both urban and rural. We would also urge the committee to give the program improvement provision under Chapter 1 favorable consideration in its allocations.

The Council also proposes that Congress increase funding for Magnet Schools to its authorized ceiling of $165,000,000. Funding in fiscal year 1991 will commence the first year of this very popular and effective program's fourth grant cycle. This program continues to be worth its weight in gold in terms of political backing, academic achievement, and school desegregation.

The Council of Great City Schools would also recommend that $50,000,000 be provided in fiscal year 1990 to fund the Dropout Prevention demonstration grants. The importance of this effort is hard to overstate. The nation's high school dropout rate remains perilously high, and is now the focus of one of the nation's national education goals.

The Council also proposed that the Congress continue to pump substantial new dollars into the federal Drug-Free Schools program. Drug abuse in our cities is still one of the most substantial societal problems.

Finally, the Council urges the committee to provide major new increases for Impact Aid B's vocational education, math and science education, and bilingual education. The contributions these programs are making to our educational improvement are substantial indeed.

Mr. Chairman, again we thank you for your commitment to elementary and secondary education, and your leadership in forging cooperation between urban and rural schools. The work of this committee is having a measurable effect on the education of our young people.

That concludes my testimony. I would be happy to answer questions. Thank you.

Mr. NATCHER. Thank you, Mr. Casserly. You have made an excellent statement.

[The statement of Michael Casserly follows:]

**THE COUNCIL OF THE GREAT CITY SCHOOLS**
*1413 K. Street, N.W., 4th Floor, Washington, D.C. 20005 / (202) 371-0163*

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*Detroit*
*East Baton Rouge*
*El Paso*
*Fresno*
*Houston*
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*Los Angeles*
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*Washington, D.C.*

# Testimony

**on**

# FY91 Appropriations on Elementary and Secondary Education

**before the**

**Subcommittee on Labor, Health and Human Services, and Education**

**of the**

**Committee on Appropriations**

**U.S. House of Representatives**

**Presented by**

**Michael Casserly**
**The Council of the Great City Schools**

**May 1, 1990**
**Washington, D.C.**

# Testimony on FY90 Appropriations for Elementary and Secondary Education before the House Appropriations Subcommittee on Labor, Health and Human Services, and Education

**Presented by The Council of the Great City Schools**

Mr. Chairman, my name is Michael Casserly and I am the Associate Director of the Council of the Great City Schools. I am pleased to have this opportunity to testify before this Subcommittee on FY91 federal appropriations for elementary and secondary education.

Currently in its 35th year, the Council of the Great City Schools is a national organization comprised of 46 of the nation's largest inner-city public school systems. Our Board of Directors is comprised of the Superintendent and one Board of Education member from each city, making the Council the only education group so constituted and the only one whose membership and purpose is solely urban.

The Council's membership serves over 5 million urban youngsters, or about 12.5% of the nation's public school enrollment. Approximately one-third of the nation's African-American children, 27% of its Hispanic children, 30% of its poor children, and 25% of its limited-English proficient children are being educated in our schools. Over 60% of our children are eligible for a free or reduced-price meal subsidy.

Mr. Chairman, I would like to devote my brief statement this morning to describing urban school goals and progress, and the federal government's crucial role in helping us sustain and increase our gains.

Before I do so, however, I would like to acknowledge the leadership that the Chairman and this

Subcommittee have provided in boosting federal funding for education in recent years. Since FY86, federal funding for elementary and secondary education has increased by 46.8% because of your efforts. These increases are playing a major part in the national effort to focus and improve our educational system. Your advocacy is deeply appreciated.

Mr. Chairman, the nation's urban schools -- and those in the rural South -- are the focal points of the President's and the Governors' concern about education reform and improvement. Their recent efforts to establish national goals spurred our own inner-city schools to draft and approve its own comprehensive targets for the year 2000. These overall goals include:

1. By the year 2000, urban school students will increase their achievement to at least the national average.
2. By the year 2000, all urban children will start school ready to learn.
3. By the year 2000, urban schools will increase their graduation rates so they are comparable to the national average.
4. By the year 2000, urban school graduates will be adequately prepared to enter higher education, pursue career opportunities and exercise their responsibilities as citizens.
5. By the year 2000, urban schools will be adequately staffed with qualified teachers who are culturally and racially sensitive and who reflect the racial characteristics of their students.
6. By the year 2000, urban schools will be free of drugs and alcohol, students will be well-nourished and healthy, and schools will be well-maintained and safe.

These goals (and their accompanying objectives, indicators and strategies) are designed to focus our own efforts, and to ensure the public of the seriousness with which urban schools are taking their own improvements. There is no secret about urban schools being furthest behind in meeting national goals than any other sector.

Urban school efforts over the last few years, and the moderate increases in federal funds have brought some achievement gains among urban youth. These gains have been sufficient to close the gap in test scores between majority and minority students according to the National Assessment for Educational Progress, and large enough to bring many urban schools up to grade on standardized national exams.

City schools are making major strides, with the help of federal funds, to institute major reforms, test school-based management efforts, boost parental involvement, and pilot new efforts in school-wide projects, compensatory education, dropout prevention, magnet schools and preschool education. The national data indicate that these efforts and the funds that make them possible are bearing fruit.

But, the slope of these gains is too flat to get us to our goals by the year 2000. The Council and others in the education community called for a major increase in federal support for education at the beginning of the year to enable us to meet these national goals. The Council continues to believe that these increases are warranted. The goals have not disappeared even though the budget room might have.

The following is the Council's recommendations for major increases in funding for elementary and secondary education in FY91:

## Recommendations

1. The Council of Great City Schools recommends boosting total federal funding for elementary and secondary education by $11.1 billion over FY90, a virtual doubling of commitment.

2. The Council would also propose that approximately 50% of any increases devoted to elementary and secondary education be allocated to the Chapter 1 program, and 10% of that to its companion Concentration grant provision. The Concentration grants continue to provide a substantial boost to schools with unusually high proportions or numbers of poor children - both urban and rural. We would also urge the Committee to give the program improvement provision under Chapter 1 favorable consideration in its allocations.

3. The Council also proposes that Congress increase funding for Magnet Schools to its authorized ceiling of $165 million. Funding in FY91 will commence the first year of this very popular and effective program's fourth grant cycle. This program continues to be worth its weight in gold in terms of political backing, academic achievement, and school desegregation.

4. The Council of Great City Schools would also recommend that $50 million be provided in FY91 to fund the Dropout Prevention demonstration grants. The importance of this effort is hard to overstate. The nation's high school dropout rate remains perilously high, and is now the focus of one of the nation's national education goals.

5. The Council also proposes that the Congress continue to pump substantial new dollars into the federal Drug-Free Schools program. Drug abuse in our cities is still one of our most substantial societal problems.

6. Finally, the Council urges the Committee to provide major new increases for Impact Aid B's vocational education, math and science education, and bilingual education. The contributions these programs are making to our educational improvement are substantial indeed.

Mr. Chairman, again we thank you for your commitment to elementary and secondary education, and your leadership in forging cooperation between urban and rural schools. The work of this Committee is having a measurable effect on the education of our young people.

That concludes my testimony. I would be happy to answer questions. Thank you.

Summary of Major CGCS FY91 Appropriations Proposals
(000's)

| Programs | Estimated FY90 | Bush Request FY91 | CGCS Request FY91 |
|---|---|---|---|
| Grants for Disadvantaged | | | |
| Chapter 1, Basic | $ 4,212,647[1] | $ 4,463,100[1] | $ 9,115,000 |
| Chapter 1, Concentration | 380,611 | 495,900 | 950,000 |
| Even Start | 24,201 | 48,000 | 50,000 |
| Program Improvement | 12,544 | 24,000 | 50,000 |
| Impact Aid A's | $ 578,500 | $ 578,500 | $ 604,500 |
| Impact Aid B's | 123,500 | 25,000 | 150,000 |
| Other | 30,352 | 57,354 | 60,000 |
| Improvement Programs | | | |
| Chapter 2, State Grants | $ 455,717 | $ 474,405 | $ 500,000 |
| Drug-Free Schools | 539,238 | 593,300 | 1,000,000 |
| Math/Science | 135,618 | 230,000 | 300,000 |
| Magnet Schools | 113,189 | 113,189 | 165,000 |
| Dropout Prevention | * | 45,000 | 50,000 |
| Follow Through | 1,171 | 0 | 7,500 |
| Handicapped Education | | | |
| State Grants | $ 1,542,610 | $ 1,615,125 | $ 4,451,000 |
| PreSchool Grants | 251,510 | 257,730 | 305,000 |
| Infants/Families | 79,520 | 82,701 | 100,000 |
| Special Purpose | 181,615 | 181,865 | 200,000 |
| Vocational Education | $ 936,723 | $ 936,823 | $ 1,500,000 |
| Adult Education | 192,795 | 238,726 | 700,000 |
| Bilingual Education | 158,530 | 175,393 | 300,000 |

[1] Reflects the proposed transfer of funds from Chapter 1 to unauthorized Bush initiatives.

* Pending in FY90 Supplemental Appropriations bill.

TUESDAY, MAY 1, 1990.

## REHABILITATION SERVICES

### WITNESS

### PAM LECONTE, ASSOCATION FOR THE EDUCATION OF REHABILITATION FACILITY PERSONNEL

Mr. NATCHER. Our next witness is Mrs. Pam Leconte. We will be glad to hear from you.

Ms. LECONTE. Thank you, Mr. Chairman.

I am representing the Association for the Education of Rehabilitation Facility Personnel. I know we are vying with a lot of other people here today but I would like to tell you that the association represents 18 universities, colleges and professional groups that provide continuing education and training for personnel of over 8000 community-based organizations that provide a variety of rehabilitation services for people with disabilities.

These include supported employment and independent living as well as vocational rehabilitation efforts. Mr. Chairman, there is an erosion undermining the knowledge and skill level of professionals serving persons with disabilities that threatens the entire fabric of our system of rehab services and programs.

We continue to struggle to train personnel to try to rehabilitate people with disabilities with inadequate training dollars, as a result we are not serving them as appropriately as we could. Once again the Administration has requested level funding for the personnel training under the Rehab Act of 1973. That is essentially the same level of funding as 1978, 13 years ago.

The Administration seems to ignore the data that they have collected in the past describing severe personnel shortages and trainee shortages. We applaud the efforts of the Rehab Service Education Administration over the last 18 months and their efforts to try to improve data collection regarding the training needs and also their efforts in trying to develop more cohesive training policy.

But the fact exists that we represent educators and trainers who attempt to train over 100,000 professionals in rehab facilities and community based organizations. These 100,000 professionals provide services to approximately 1,000,000 people with disabilities. 25 percent of the people with disabilities who are served in the state VR systems are served through these community based organizations. We are entrusting the rehab of those individuals to the least trained personnel in the rehab community, people who have had inadequate long term training and don't have sufficient short term training.

I am requesting on behalf of AERFP that funds be appropriated to enable us to respond to the ever greater training needs of the programs we serve. We urge the subcommittee to appropriate the full authorized level of $38,500,000 for fiscal year 1991.

We realize this recommendation is not a popular one but we want to continue our work to improve rehab training.

Rehab programs require staff who are well prepared, skilled and sensitive to the diverse challenges of people with disabilities. The educators of the community based program personnel are a vital link in the integration of persons with disabilities into our work force. The passage of ADA will increase the need for professionals who can train and place persons with disabilities into community jobs. These programs will place an ever increasing demand on service providers.

To assist with our continued efforts in the implementation of the current service structure ranging from counseling and vocational evaluation to supportive employment and independent living, we are also recommending that the regional rehab facility continuing education programs be created into a single primary facility personnel training resource for each region.

These could complement but not supplant RSEPs.

To summarize, the regional grants would provide for continuity of training services that have not been previously available. For example, there are too few long term training programs to provide counselors and vocational evaluation services which means that we have untrained personnel working in our community based organizations.

The only way we can provide any kind of training for these people is to use short term training dollars.

In summary, we urge the subcommittee to recommend full funding for the $38,500,000 and include report language urging the development of regional training grants for rehab facility administration.

Thank you.

Mr. NATCHER. Thank you very much. You have given us an excellent statement.

[The statement of Pamela J. Leconte follows:]

Testimony of

Ronald B. House, Ph.D.
President
Association for Education of
Rehabilitation Facility Personnel
(A.E.R.F.P.)

Presented by

Pamela J. Leconte
Project Director
The George Washington University

Before

Congress of the United States
House of Representatives
Committee on Appropriations
Washington, D.C. 20515

May 1, 1990
10:10 a.m.

**Mr. Chairman, there is an erosion undermining the knowledge and skill level of professionals serving persons with disabilities that threatens the entire fabric of our service delivery system of rehabilitation facilities and programs.**

**Once again the Administration has requested level funding for rehabilitation personnel training under the Rehabilitation Act of 1973. That is essentially the same level of funding as in 1978, thirteen years ago!** Budget documents from the Department of Education state that, "...available data on personnel shortages do not support appropriations increase." The problem is that the Administration continues to ignore the data that they have gathered in the past and they have not done the major descriptive needs study mandated by Congress in the Rehabilitation Act that would verify the needs that we all know exist. Sec. 304(c) of the Rehabilitation Act requires R.S.A. submit to Congress "...a report setting forth and justifying in detail how the training funds for the fiscal year prior to such submission are allocated by professional discipline and other program areas. The report shall also contain findings on personnel shortages...and how the findings of personnel shortages justify the allocations..."

Mr. Chairman, my name is Ron House. I am president of the Association for Education of Rehabilitation Facility Personnel (A.E.R.F.P.) This association represents 18 universities, colleges, and professional organizations that provide continuing education and training to the personnel of over 5000 community based organizations that provide a variety of services for persons with disabilities. These organizations include rehabilitation facilities, supported employment programs, and independent living centers.

I am here today to request that adequate funds be appropriated to enable us to respond to the ever greater training needs of the programs we serve. The attached chart graphically illustrates the sad state of funding for rehabilitation personnel training. The request of the Administration for level funding of $31.1 million would be almost $7.5 million short of the authorized amount under Section 304 of the Rehabilitation Act of 1973. We believe that even full funding would not be nearly enough to meet the current training needs but it would at least reverse the trend of minimal increases over the past several years. **We urge this subcommittee to appropriate the full authorized level of $38.5 million for FY 1991.**

Rehabilitation programs require staff who are well prepared, skilled, and sensitive to the diverse challenging needs of persons with disabilities. 65,000 employees in over 4,000 rehabilitation facilities provide services to over one million persons with disabilities each year. A 1989 study on staff turnover in rehabilitation facilities indicated that turnover among facility staff may be as high as 24% a year. Such turnover disrupts services to persons with disabilities, staff morale, and productivity.

**The educators of community-based program personnel are a vital link in the integration of person with disabilities into the work force of our nation.** There are new initiatives such as supported employment which desperately need trained professionals to insure quality programs that will have long term success. **The anticipated passage of the Americans With Disabilities Act will increase the need for professionals who can train and place persons with disabilities into community jobs.** These new programs will place ever increasing demands on rehabilitation facilities and other service providers. The erosion in the foundation of trained professionals endangers these new initiatives.

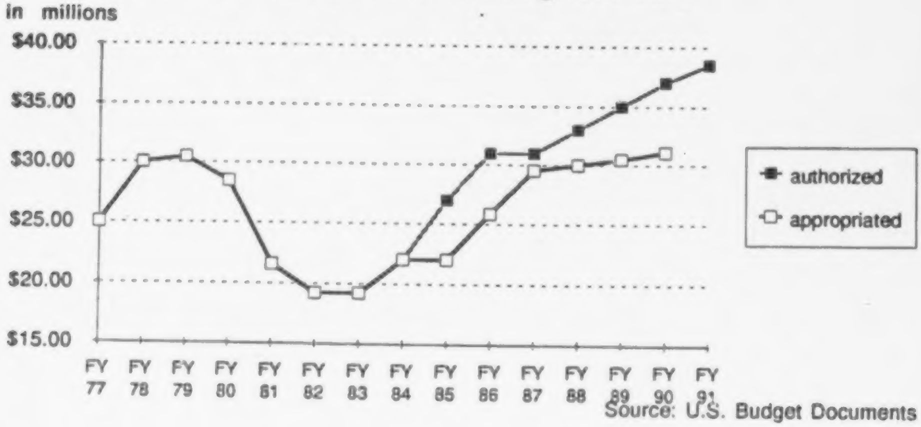
**A.E.R.F.P. recommends that regional rehabilitation facility continuing education programs be created as the single primary facility personnel training resource for each region.** The new program would administer technical assistance and post-employment personnel training related to community supported employment and other facility administered vocational programs. This new training grant would consolidate several current grant programs thereby reducing the overall number of grants and the accompanying overhead and administrative costs. Most importantly, these regional grants would provide for continuity of training services that has not previously been available. **A.E.R.F.P.** urges this subcommittee to recommend these new regional facility training grants in its report.

Training rehabilitation professionals is but a part of a much larger process. **A.E.R.F.P.** supports all of the other parts of the Rehabilitation Act. We urge full funding of basic state grants and supported employment to insure that the services are available to as many persons with severe disabilities as possible.

**In summary, Mr. Chairman, we urge the subcommittee to recommend full funding of $38.517 million for fiscal year 1991 and include report language urging the development of regional training grants for rehabilitation facility administration.**

Thank you very much for this opportunity to present this testimony. I will be glad to answer any questions you may have.

Rehabilitation Personnel Training 1977-1991



Source: U.S. Budget Documents

TUESDAY, MAY 4, 1990.

## CLOSED-CAPTIONED SERVICES

### WITNESS

### LINDA BOVE, ACTRESS, REPRESENTING NATIONAL CAPTIONING INSTITUTE, INC.

Mr. NATCHER. Our next witness is Linda Bove. We are glad to have you before the committee. We will be pleased to hear from you.

Ms. BOVE. Good morning, Mr. Chairman. My name is Linda Bove. I am an actress from Sesame Street. Thank you for having me here today to testify before you on behalf of the National Captioning Institute. I would like to discuss the need for continued funding for captioned television programs and for a decoder subsidy program targeted for deaf and hard of hearing children.

I just flew into Washington, D.C. from Louisville, Kentucky, where I just made a personal appearance at the zoo for their 21st anniversary. It is wonderful to see all the children, hearing, deaf and hard of hearing children. They recognized me from Sesame Street. They recognized me because of the captioning. I am one who has benefited from captioning, my work, my productivity and my contribution to this country as an American citizen. It depends greatly on the accessibility to television. Such as watching talk shows, sports programs, movies, drama, and news programs, news programs in particular.

Two years ago before the San Francisco earthquake there and an earthquake in the L.A. area where we live. At that time I was in New York working and my husband was in Los Angeles. It was not until the evening when I sat down as I usually do to watch the ABC captioned news that I saw the first bit of news about the earthquake in L.A. I got up and ran to call my husband to see if everything was all right at home.

If it was not for that captioning on the news that evening, I would not have been able to know until the next day by reading the newspaper.

Unfortunately, many people who do benefit from captioned TV are still not able to take advantage of the technology because the decoder expense is so high many deaf people cannot afford it, many deaf and hard of hearing people. So those people are denied access from America's most powerful media, television.

I am here today to urge you and your committee to provide $1,000,000 to fund the captioning program and the decoder subsidy program for deaf and hard of hearing people targeted specifically for children. Studies have proven that captioning has helped deaf and hard of hearing children to improve their English. This helps them learn more about the world we live in, about our culture. It is fundamental that children be given the opportunity to have that reading machine to acquire language.

I have experienced first hand the impact the decoders have had on the lives of deaf children. I have been given the opportunity to participate at the National Captioning Institute decoder give away program. It was not long ago that that program was established to provide decoders for poor families.

I was in Nevada, and I saw all the faces of the deaf and hard of hearing children when their names were called and their reactions to getting the free decoders, their excitement. I knew immediately that once the decoder was hooked up to the television their lives would change. As a member of the cast of Sesame Street I have been involved in many personal appearances for deaf, hearing and hard of hearing children all over the country. It is wonderful to see all the children coming up to me afterwards, recognizing me from the television show especially the deaf children who now have accessibility to captioning.

They are able to tell me stories about the birth of Maria and Lewis as a baby and talk about Monsterpiece Theater. It reminds me of a boy named Patrick, 10 years old. I met him in San Francisco not long ago. He came up to me after the show and we got involved in a dialogue and he was discussing all the characters on the show and talking about the stories and the reasons why things had happened on the show.

It was so exciting to see a 10-year-old child come up to me and discuss the show. Mr. Chairman, I urge you and your colleagues to continue to provide funding for captioning TV and to provide funding for the decoder subsidy program for deaf and hard of hearing children so they can be given an opportunity to learn and succeed.

Thank you, very much.

Mr. NATCHER. Thank you very much, Mrs. Bove. You have given an excellent statement and we appreciate your appearance before our committee.

[The statement of Linda Bove follows:]

# STATEMENT OF THE NATIONAL CAPTIONING INSTITUTE ON FY 1991 APPROPRIATION FOR CLOSED-CAPTIONED TELEVISION BEFORE THE LABOR, HEALTH, & HUMAN SERVICES, EDUCATION AND RELATED AGENCIES SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS U.S. HOUSE OF REPRESENTATIVES

JOHN E.D. BALL
PRESIDENT, NATIONAL CAPTIONING INSTITUTE

May 1,1990

The National Captioning Institute (NCI) appreciates this opportunity to submit testimony in support of the FY 1991 budget needs of the Media Services and Adaptation Branch of the U.S. Department of Education. NCI is a Section 501 (c) (3) nonprofit organization now celebrating the ten year anniversary of its inauguration of closed captioning television services which have benefited millions of American citizens who are deaf and hard-of-hearing. Although private sector support now provides more than half of all TV captioning, federal appropriated funds are vital to continue captioning and decoder services at present levels.

For FY 1991, NCI recommends the following appropriations:

| | |
|---|---|
| Captioning of local and national TV news, children's, educational, and other programs— | $6.5 million |
| Providing decoders to 7,500 deaf children currently without them— | $1.0 million |
| Public Awareness and Education — | $1.0 million |
| Research and Technology Development— | $1.5 million |
| TOTAL | $ 10 million |

## BACKGROUND

In 1988, the Commission on Education of the Deaf reported that captioned television is a vital aspect of the daily lives of hearing-impaired Americans, should be expanded to include all television programming, and be available to all hearing-handicapped citizens. Inherent in the Commission's report and its recommendations was the need for a greater federal role in establishing an affirmative action plan that would lead to more widespread captioning of broadcast and cablecast TV programs, as well as those video materials produced with federal funds, including those presented in public places.

It is worthy of note that both the House of Representatives and the Senate have modified their rules to allow captioning of its televised proceedings. NCI has obtained the cooperation of C-Span in planning for future captioning, and hopefully, these events will rapidly lead to accessibility of these proceedings by the hearing-impaired community.

## CURRENT SERVICES

The number of hours of closed-captioned programming available on broadcast TV, cable TV, and home video has increased dramatically in the last year. These increases have resulted in large part from increased funding from the Department of Education, which has had a multiplying effect on matched funding from the private sector. Department of Education initiatives are also partially responsible for the increased diversity of captioned programs available to hearing-impaired Americans. For example, one initiative provides funding for captioning of all major sporting events televised by the networks and basic cable systems; a second initiative provided funding for the captioning of prime time movies, mini-series, specials and, for the first time, daytime dramas. Elderly hearing-impaired persons who are home during the day are now able to enjoy a significant amount of daytime television.

These federally-funded captioned programs are joined by a variety of syndicated shows which continue to be captioned with full private sector support. NCI has also secured private sector funding to caption such special events as the Olympic Games. NCI's Cable Captioning Consortium involves seven leading basic cable networks and fifteen of the top cable Multiple System Operators. Launched in 1988, the Consortium has made possible the captioning of hundreds of hours of programming on basic cable, ranging from sports and drama to music and cartoons.

All three major commercial television networks and the Public Broadcasting Service continue their commitment of supporting captioning costs. As a result, 100% of all prime time (evening) programming on the commercial networks is now captioned, a significant increase over the 66% of just three years ago. In addition, most PBS adult and children's programs are captioned.

Captioned news and public affairs programming on the networks has increased over the past several years, through a combination of federal and network funding. Other funding from DOED enables NCI to caption many children's TV programs, including SESAME STREET, MR. ROGERS' NEIGHBORHOOD, and many other PBS, commercial network, basic cable, and syndicated programs.

However, despite these promising notes, on-going federal support of the captioning service is needed to assure that the captioning service maintains its current level of service to hearing-impaired citizens. The program areas that are funded by the Department of Education are not attractive to potential private sector captioning funders. It is only through the government's continued investment in the captioning service that the audience for captioning will continue to grow, and deaf and hard-of-hearing persons will continue to be mainstreamed into the most vital of America's mass communications medium.

## REMAINING NEEDS

The Commission on Education of the Deaf also stressed the need for the availability of televisions with caption decoding circuitry built in by the TV set manufacturer. In response to the Commission's recommendation, NCI has embarked upon an exciting technical development effort that will produce a low-cost, single chip decoding capability. This chip will be made available to television manufacturers by the end of 1990 for about $5. This will enable new TV sets with built-in decoding capability to be available by 1992. NCI is pleased to report that this development activity is fully funded and well within schedule. The promise of this breakthrough is clear — widespread availability of the captioning service at nominal cost to the consumer.

There continues to be a need to provide low-cost decoders to hearing-impaired persons who may not have the means to purchase a decoder or a new television set. In the past, Congress has supported funding for decoder subsidy programs to ensure that decoders remain affordable for those who need them. NCI once again urges federal support for this vital program that will assist in bringing the captioning technology to a population that could most benefit from its availability — hearing-impaired children.

The Commission on Education of the Deaf reported that there were 36,000 deaf students in the United States in 1985-86. It has been reported that 80% of these young people still do not have access to a decoder. A priority should be placed on developing and implementing a plan that would provide decoders to this group over a several year period. At a subsidy funding level of $1 million, decoders could be distributed to hearing-impaired learners under a long-term loan program managed through schools and other means. At the recommended funding level, every hearing-impaired student would receive a decoder within a four-year period. After that, the incremental cost of maintaining the program for new students entering school programs would be minimal. This program would help bring captioned television in to the homes of hearing-impaired youth, providing them with the "Reading Machine" that is vital to their successful acquisition of language.

> *"Our son, Timothy, age 7 years, is severely hearing impaired. He attends a deaf education school here in Pinellas County. Today he received a caption decoder as a gift from the a local Lions Club. We had been planning to purchase one, but unexpected doctor bills and other expenses related to hearing aids had taken any extra money, so it was with grateful hearts that we received this.*
>
> *Our heartfelt appreciation to you for helping our son in his continued learning to adjust to living in a world that seems to know so little about the difficulties of being hearing impaired, as Timmy is, just learning to read."*
>
> Jerry and Virginia T.
> St. Petersburg, Florida

Other activities recommended for funding in FY 1991 are as follows:

Public Awareness and Public Education

NCI urges that a more aggressive program be initiated with federal support to ensure that the many persons in the United States who could benefit from the captioning service are made aware of the availability of captioned TV programs and the decoder device. Among the populations which should be targeted are the elderly, as well as persons with reading and learning problems, and persons learning English as a second language. The captioning service has been found to be a valuable learning tool for these large groups.

Ongoing Research

Over the past ten years, NCI has initiated several research studies into the effectiveness of captioned television as an educational tool. NCI believes that federal support for wide-ranging additional research into caption readability and the measurement of its effect on the acquisition of reading skills is desirable and necessary. With the audience for the captioning service steadily increasing, and the availability of increased captioned programming for children, additional research should be undertaken that will lead to improved captioning standards and techniques.

Technology

As NCI continues to improve captioning technology, it is also monitoring the development of High Definition Television (HDTV). federal support of on-going investigation of various systems being proposed as the new transmission and reception standards in this country will assist in assuring that captioning be made an integral part of the development of any new technological advancement. Other areas of development which should be investigated include the use of infra-red technology to assist hard-of-hearing persons in their understanding of television.

## FUNDING RECOMMENDATIONS

It is vital that currently funded captioned programming initiatives continue, thus allowing deaf and hard-of-hearing Americans access to these important segments of televised education, information, and entertainment. Continued federal support should also be used to leverage the private sector to steadily increase its commitment to captioning. **Specific captioning program funding levels recommended for FY 1991 are as follows:**

| | | |
|---|---|---|
| **National News** | — | **$2.2 million** |
| **Children's Programming** | — | **$1 million** |
| **Syndicated Programming** | — | **$0.8 million** |
| **Sports Programming** | — | **$0.5 million** |
| **Prime Time & Daytime** | — | **$1 million** |
| **Local News** | — | **$1 million** |
| **TOTAL** | | **$6.5 million** |

This recommended funding level for captioned programming would allow for a modest increase in support for the vital area of captioned national news programming, as well as an increase in start-up funds to initiate captioning of local news programming. This latter funding assistance will encourage local TV stations to investigate and implement new technologies such as electronic newsroom captioning that can provide captioning services at little or no on-going cost to the TV station. NCI believes that with a sustained effort, this initiative would lead to captioning of local news programs in virtually every TV market within a few years.

**NCI recommends a $1 million funding level of a decoder subsidy program specifically targeted to deaf and hard-of-hearing school age children.**

**An aggressive public awareness and public education initiative designed to reach those potential audiences that are as yet untapped beneficiaries of the captioning service should be funded at the $1 million level. On-going research into caption readability and the effect of captioning on reading and development of technologies that will further the mainstreaming of our hearing-impaired citizens into society, including HDTV, should be funded at the $1.5 million level.**

NCI recognizes that the economic times we are living in require moderation in the hopes and aspirations placed on federal resources. Therefore, these FY 1991 recommended levels approximate the appropriated levels for these activities during FY 1990.

NCI believes the above are critical funding areas that fit the leadership role that Congress has played in the development and growth of the closed captioned television service.NCI wishes to express its sincere appreciation for the confidence that Congress and the Department of Education have shown in giving NCI such a crucial role to play in the development of so vital a service for so many previously ignored hearing-impaired persons.

Thank you for this opportunity to submit this testimony.

TUESDAY, MAY 1, 1990.

## EDUCATIONAL TELEVISION

### WITNESS

### GARY E. KNELL, VICE PRESIDENT AND DIRECTOR OF LEGAL AFFAIRS, CHILDREN'S TELEVISION WORKSHOP

Mr. NATCHER. Our next witness is Mr. Gary Knell. We will be pleased to hear from you at this time.

Mr. KNELL. It is always difficult to follow one of our stars from Sesame Street and especially Linda Bove, but here I go.

I am here to testify on behalf of the strong financial support for public television. My name is Gary Knell, I am Vice President-Director of Legal Affairs of Children's Television Workshop. Specifically, I am here to ask you to support the fully authorized level of funding for the Corporation for Public Broadcasting. I also urge you to direct the Department of Education to commit more funds for national educational television programming that addresses our country's concern for better education.

Children's Television Workshop is a multimedia educational institution whose mission is to use mass communications to educate young people, mostly outside the classroom, but in school as well. To that end, we produce educational television programming that appeals to and attracts children. That programming includes Sesame Street, our flagship series, which to date has prepared over 40,000,000 preschoolers for the classroom; 3-2-1 Contact, our science series for eight to 12-year olds, and Square One TV, our mathematics series for children eight to 12. None of these three series would exist without the support of the Corporation for Public Broadcasting, and of the Department of Education or its predecessor agencies.

CTW's programs emphasize informal education. The education crisis facing America is so overwhelming that if we want to improve the way our children learn, we cannot rely on schools alone, or on parents. We must every tool at our disposal to reach children. Since American youngsters typically watch television over 23 hours a week, spending more time in front of the family set than they do in school, converting some of that time into educational programming can significantly increase children's opportunities to learn—can, in effect, extend their school day.

Quality educational television works. Children—regardless of their own socioeconomic background and level of achievement in school—watch our series and learn from them. Here is some of the evidence: a recent nationwide survey conducted by the Yankelovich organization on viewing by preschoolers living in poverty, whether African-American, Latino, or white, confirmed that Seasame Street is reaching children who need the series the most. 92 percent of the preschool children nationwide are current viewers, and nearly two out of three watch the series almost every day.

Studies of 3-2-1 Contact have found that after watching the series, 50 percent of the viewers engage in some science-related activity, such as reading about a scientific subject or trying an experiment. And most recently, the results of an important new evaluation of Square One TV, our mathematics show filmed in Texas, has found that children who viewed the series in a sustained manner showed significant improvement in their ability to solve unfamiliar, complex mathematical problems. Moreover, these improvements occurred regardless of the children's socioeconomic background, ethnicity, or gender.

Anecdotal evidence lends further support to these studies' conclusions. To cite just one example, seven-year old Julia Irwin of Lexington, Kentucky, wrote to tell us that after seeing Square One TV's song sequence about mathematical patterns she could make with the number nine, she tried the same process with the number eight and found a different pattern on her own.

Kentucky students are equally enthusiastic about 3-2-1 Contact. In Crestwood, Pam Jett's seventh-grade science students watched twice our 3-2-1 Contact Extra, "The Rotten Truth," about the garbage crisis, and then asked for another screening. Ms. Jett says that the program boosted students' commitment to the school's aluminum recycling program.

Funding from the Corporation for Public Broadcasting is crucial to CTW's educational efforts in two ways. First, direct funding from CPB helps support Square One TV and 3-2-1 Contact. Second, through Community Service Grants, CPB also enables local public televisions stations to pay about one-third of the yearly cost of Seasame Street, with CTW financing the remaining two-thirds from its own self-support activities.

Children's programming provides about one-third of public television's local audience. It is a unique service of public television; educational programming on a national scale does not and will not exist in commercial television distribution systems. We need more educational programming on more subjects if we are to use technology effectively to help improve education in this country.

Hence, it is my hope that the evolving arrangements among the Public Broadcasting Service and CPB will continue and expand the priority status of children's programming and education. The new plan segregates funding for "independent producers" and minorities. Such segregation should not be necessary for children's educational programming, and won't be, if public television stations, PBS, and CPB make children's education central to their programming.

Funding from the Department of Education is equally vital to the survival of educational children's programming. From Sesame Street's inception until 1982, the Department of Education or its predecessors invested $30,000,000 in the series. That means that the Federal Government's total tuition bill has been less than 75 cents per graduate. The Department of Education's contributions also helped us to produce 3-2-1 Contact and Square One TV, and helped to attract additional underwriting from private funders.

We believe that the time has come for the Department of Education to demonstrate once again the kind of bold vision and leadership it exercised in its early support of Sesame Street—this time to tackle illiteracy. Given the proven efficacy and cost effectiveness of educational programming, I ask you to urge the Department of Education to place CTW's Reading and Writing Project at the top of its funding agenda. Our project will use television, other media, and extensive outreach to help children aged six to nine to learn to read with understanding and write with coherence. It will not be possible for CTW to tackle this new undertaking without the support of the Department of Education. We have an $8,000,000 request pending from the Department of Research and Improvement.

In the more than 20 years that we at CTW have been helping children learn, we have proven that television—so often condemned as the enemy of education—is an invaluable ally. Quality educational programming is a tool that should be used to achieve our education goals, because it can reach every American, regardless of race or resources. Public television is the only reliable source of this kind of programming for children. Please support full funding for the Corporation for Public Broadcasting and the Department of Education, and direct the Department of Education to provide more financial resources and extended support to quality educational television.

Thank you.

Mr. NATCHER. Thank you, Mr. Knell. You have give us an excellent statement. We appreciate your appearance.

Mr. KNELL. Thank you.

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TUESDAY, MAY 1, 1990

## PUBLIC BROADCASTING

### WITNESS

### DAVID BRUGGER, PRESIDENT, NATIONAL ASSOCIATION OF PUBLIC TELEVISION STATIONS

Mr. NATCHER. Our next witness is David Brugger. We will be pleased to hear from you at this time.

Mr. BRUGGER. Public television is the way to make our citizens aware of the needs of others, the way to address the problems you are going to be hearing about this morning. In higher education state networks like ours allow adults to address their education without driving to central campuses or missing work.

In South Carolina half of all the degrees are awarded to people viewing public television courses. For the blind descriptive video pioneered by WGBH in Boston is provided for more than 32 stations and could be provided to more if proper funding were available. For the hearing impaired public television opened up a whole new world through closed captioning.

Helping literacy, in the past four years our Project Literacy U.S. has led to the creation of more than 426 literacy groups and task forces around the country. In two weeks singer Waylon Jennings and his first lady will be in Washington to tell about the program in his state, that is the one Mr. Jennings used to get his high school equivalency degree. That is the one he used to get his GED.

It greatly increases the opportunity for all Americans to have access to quality education. We appreciate the leadership of this subcommittee and its leadership in the Congress. You have understood and supported public television when others implied that new technologies and their mere existence was going to create public services free from private enterprise. Today we are asking your commitment to public television which has demonstrated its use of the media to solve that and local problems.

Specifically we are urging fully authorized funding for the corporate for public broadcasting. The dollars are directly leveraged by local stations, seven non-federal dollars for every federal dollar into local American services by those stations. The Department of Education we are requesting continued funding for the Star Schools Program, for the descriptive video and closed captioning and for the secretary's fund for innovative education which last year made science and math programs available through many of our public television services.

We are requesting a final appropriation of $66,400,000 to complete our satellite replacement program. I want to urge full funding for our satellite system. I know that a lesser figure has been recommended by some. Funding at this lower level would have a major negative impact on our stations. The reductions would lessen the capability of their ground receiving equipment. That they are going to need if they are going to participate in distance education and the related technologies which states like Kentucky has pioneered.

The difference between $180,000,000 and the $200,000,000 is the difference between merely replacing an old system and creating a new one that will be able to take advantage of the interactive educational services now possible with satellite technology. A reduction in satellite funding would divide the stations into haves and have nots for education purposes. Smaller stations in rural communities, for example, may have to choose between cutting some of those services if they are going to fully participate in distance learning or simply not have those resources available for their citizens.

When you consider the education services that can be provided for the American people through the satellite system, that extra $20,000,000 spread over 15 years is a very cost effective investment.

Mr. Chairman, the recent events in Europe underscore the role that media can play in empowering local citizens to make a difference in their society. Even beyond the tangible role in helping our citizens we believe TV is a powerful tool in extending democracy through volunteerism and community participation. If we can turn a few missiles into science, math, and cultural programs and aim them at our schools, we can create our own SDI, an investment in the future competitiveness of this country.

Every dollar you authorize is a dollar cost effectively invested in this country. I want to thank you for your consideration of requests for both public television and for the Department of Education.

[The statement of David Brugger follows:]

57
KCET
NJN
WTTW
KET The Kentucky Network

CHANNEL 56 WTVS
MPT
channel 35 WVIZ-TV
WGBH
15

# Public TV: Part of the Solution

## National Association of Public Television Stations

Statement of David J. Brugger

before the
Subcommittee on Labor, Health
and Human Services and Education
Committee on Appropriations

United States House of Representatives
May 1, 1990

PIONEER PUBLIC TV
Iowa Public Television
KTCA
3 WEDU

Class KLCS Television
20 WYCC
8 WDSE
Wisconsin Public Television Network
WUSF TV 16

## Public Television: Part of the Solution

**Mr. Chairman, public television means solutions.** What you see on your screen at night is only one aspect of a wide variety of services provided by public television stations. Many of the problems your subcommittee deals with are being addressed by public television, not just with television programs but through community involvement, educational materials and services and technological development.

Every dollar this subcommittee appropriates toward the fully-authorized amount for public television is a dollar invested cost-effectively in helping the American people solve problems at the national and local level. Specific examples are listed below.

We appreciate the support from Congress and this subcommittee over the years. We're proud of our record in increasing our non-federal support through leveraging federal funds. The percentage of our total budgets provided by the federal government has declined to 17 percent. With the funds we request now, our stations could build on their track records of community service and do so much more.

## Public Television's Specific Appropriations Request

- On behalf of the nation's public TV stations **we urge this subcommittee to fund the Corporation for Public Broadcasting at the fully-authorized level of $285 million for FY 1993** to ensure continued support for national programming and community service grants to stations.
- **We request a final appropriation of $66.94 million to complete the satellite interconnection replacement project.** Any amounts less than full funding of the

satellite replacement will directly reduce the capacity on the ground which the stations must have to utilize satellite-delivered services. It will divide stations into the haves and the have-nots for services like distance learning, which are the future of public telecommunications.

Full funding of the satellite replacement project will increase instructional program delivery and the specialized educational services to meet the expanding telecommunications needs of the nation's schools and to provide to all Americans — poor, rural and otherwise — tools to compete in the global marketplace.

- NAPTS also recommends continued significant funding for the Department of Education's Star Schools program for which $100 million was authorized for FY 1988-92. A total of $49 million remains authorized for FY 1991 and 1992. For this fiscal year, **NAPTS supports an appropriation of $25 million to the Star Schools Program** to allow for continued use of education technologies to make advanced math, science and foreign language instruction available to students who might otherwise be deprived.

The pilot star schools program made courses available to small schools in remote regions of 19 states, where such classes previously were unaffordable and unavailable. A student enrolled in a star schools advanced math course in Kentucky said, "It was probably the most worthwhile and enriching experience I have had."

- Public television stations also request funding for the Descriptive Video Services (DVS). DVS was pioneered by the WGBH, Boston, Education Foundation and makes television programs accessible for the blind and visually impaired. With your assistance public television can make its excellent dramatic programs, such as *American Playhouse, Masterpiece Theatre, WonderWorks* and *Mystery!* accessible to the more than five million visually impaired persons in the United States.

**NAPTS recommends that $1 million be appropriated to the Department of Education for the Descriptive Video Service.**

- **We also request continued support for the closed captioning of television programs for the hearing impaired** through the Department of Education. Now a decade after public television led the development of closed-captioning, the application of the technology continues to grow rapidly with the majority of primetime television programs closed captioned.

Captioning is more than an enhancement for television entertainment and it benefits more than the hearing-impaired community. Captioning also has been credited as an aid to those learning English as a second language.

- Finally, NAPTS supports the Secretary's Fund for Innovative Education, which in its first year provided $1.25 million for production of new *Square One TV* programs. Results of a recent study designed to test the effectiveness of *Square One TV* provide compelling evidence that children who viewed the series in a sustained manner showed significant improvement in their ability to solve unfamiliar, complex mathematical problems. This improvement occurred regardless of the children's socio-economic background, ethnicity or gender. **We support an appropriation of at least $8 million in 1991** for this fund to meet some of the major, new education challenges for which public television can provide assistance.

## Public Television Stations Serve Their Communities

Public television stations were organized locally to further education. The federal government invested wisely in forging a national asset from local institutions, equipping them to address national concerns with the best programming that the nation could develop, delivered with sensitivity to local conditions.

Public stations have a long track record of participating with others in advancing common solutions through broadcasting. In joining the community of action, stations more and more are using the communications tools beyond traditional broadcast. Public television works to identify community organizations that can act as partners in helping to solve national problems. The community involvement of public television is not new, but the need has never been greater, as the influence of other institutions — including the family — has diminished.

Public television stations have mounted major community outreach campaigns on issues of national and local importance. Project Literacy U.S. (PLUS) involved more than 470 community and state task forces in literacy training and mentoring to address the problems of the more than 26 million adult illiterates in the United States.

Last year in Maryland, the public television network's "Project Reach Out" telecast resulted in citizens pledging 110,000 volunteer hours to schools and education organizations.

This year, public television stations across the country have joined together in OPERATION EARTH, with 35 hours of new primetime programming and a focus on environmental topics throughout the year in the major national program series. In addition, individual stations are producing local programs about the specific environmental concerns of their audience.

National attention to other problems such as childcare, drug and alcohol abuse, teenage dropouts and AIDS, has been focused by public television stations working with community organizations and national social services organizations.

## Public Television is a Critical Education Instrument

Almost everyone is aware of *Sesame Street*, the landmark public television program that has demonstrated that television can be a powerful force in educating the young. Public television every day offers similar programs for older children that teach reading and mathematics.

In communities across the nation, public TV stations provide a daily average of five hours of quality educational material to some 1.5 million classrooms, which is available to 29 million school children. In addition, PBS adult learning telecourses are now used by three out of five US colleges and universities. Since their start in 1981 these telecourses have enabled a million Americans to earn college credits.

This valuable supplement to individual classroom instruction makes more sense than ever today, in a time when there is general agreement that the quality of education needs improvement and when teacher shortages, high teacher-student ratios and tight school board budgets prevail almost everywhere.

To cite just one example: In Kentucky, the state network's GED courses on public television enable thousands of dropouts to earn high school diplomas. Kentucky's continuing effort to bring back dropouts has been so successful that in a recent year the number of students taking the GED test increased 28 percent. And the courses reach students everywhere, even in prisons and the armed forces.

Education through public television means video programming distributed by tape, interactive computer programs and databases; it means audio tapes, books and print instructional material of various kinds — in short, whatever it takes to make the job of teaching complete.

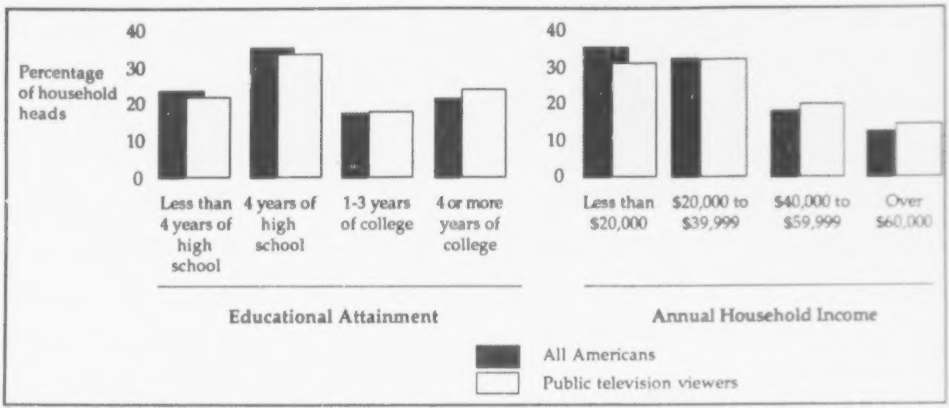
Further, the advance of technology makes it almost certain that television will play an even greater role in education in the future than it does today. The same technology that brought public television more actively into the classroom also makes it possible for public TV to play an exciting new role in education in the workplace, where the need is great and the costs today exceedingly high.

Currently, American business spends over $40 billion a year to educate eight million workers. It's estimated that by the end of the century 75 percent of all workers will require re-training to remain productive.

Public television can help get this job done at very low costs. For example, last year the cost of elementary and secondary education in the US totaled over $196 billion, or $4,550 per pupil. For a $1 million investment, an instructional television series employing the very best teachers can help teach more effectively 4.5 million children in two grade levels for five years at an annual cost per pupil of just four cents.

## Public Television Serves All Americans

Public television is a medium that exists to provide a choice. This is the choice of some 87 million Americans each week. Public television is watched by welfare mothers and bank presidents, by stock brokers and stock clerks, by farm hands and factory owners, by dock workers and doctors — people from all walks of life. And, by the children of the underprivileged as well as privileged.

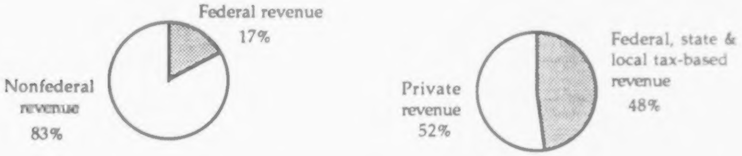


Source: A.C. Nielsen (1988-89 television season)

PUBLIC TELEVISION AUDIENCES REPRESENT AMERICANS OF ALL EDUCATIONAL AND INCOME LEVELS.

Public Television Provides a Strong Return on Investment

The federal investment in public television has been extremely cost effective. It has interconnected locally-supported public stations and has been used by stations to leverage five times as much funding from a variety of sources. Your investment allows stations to produce and acquire programs of more than local interest that would otherwise be beyond their means.



EACH FEDERAL DOLLAR IS MATCHED BY FIVE DOLLARS FROM OTHER SOURCES.

Public television is available in 98 percent of all American homes and in an average week over half of the nation's households tune in to it. Millions of Americans contribute additional funds to public television stations, representing 22 percent of total industry income. Every week 15 million children draw part of the benefit by watching our children's programs.

While we understand the realities of the federal budget, we feel that it is important to state the opportunities for public television to serve the nation with adequate federal funding. An investment in public television is an investment in the educational and social well-being of our country. Public television can be a part of the solution to critical social and educational problems this nation faces. We hope that this subcommittee and this Congress will recognize the value of the investment in public television. We ask that you renew your commitment to public television's increasing role in achieving the public policy objectives originally hoped for from this medium.

The recent spectacular events in eastern Europe and elsewhere have underscored the incredibly important role of the media in society. Public television offers a voice for those groups too small or too specialized to have their needs cared for by mass media. We believe it is a powerful medium for preserving and extending our democracy. The appropriation we are requesting is a very small investment to ensure that the voices of all Americans can be heard.

Mr. NATCHER. Thank you very much, Mr. Brugger. Mr. Brugger a number of years ago Mr. Rockefeller came and visited with me concerning public broadcasting. I guess he had about as much to do with it as anyone back in the beginning.

Mr. BRUGGER. Yes, sir.

Mr. NATCHER. He was very enthusiastic about it. He came and talked to me one afternoon for about an hour in regard to it. In going back and checking the figures, Mr. Brugger, you have been quite fortunate, you people in public broadcasting. You have been right fortunate, this subcommittee has gone along with you now for years. Public broadcasting as I recall first started in 1974, as such. Is that right?

Mr. BRUGGER. The federal funding started in 1967.

Mr. NATCHER. I understand that but as far as the public broadcasting under the basic law, wasn't that 1974? I believe you will find, Mr. Brugger, that is when the current structure of the law as established, in 1974. Back then we had $50,000,000, in 1975 we had $62,000,000. In 1976 we had $78,500,000. In the transition quarter we had $17,500,000. In 1977 we had $103,000,000. In 1978, we had $119,200,000. In 1979 we had $120,200,000. In 1980, we had $152,000,000. In 1982 we had $162,000,000. In 1981 we had $162,000,000. In 1982 we had $172,000,000. In 1983, Mr. Brugger, we had $137,000,000. In 1984 we had $137,500,000. In 1985, we had $150,500,000. In 1986, $159,500,000. In 1987, we had $200,000,000. In 1988, $214,000,000. In 1989 we had $228,000,000. In 1990, we had $229,400,000. In 1991, $242,100,000. In 1972, we had $251,000,000.

The request, as you know, for 1993 is $259,600,000.

Mr. BRUGGER. Yes, sir.

Mr. NATCHER. Now, Mr. Brugger, you have been right fortunate now. This subcommittee has been a good friend to public broadcasting according to those figures, wouldn't you agree?

Mr. BRUGGER. Yes you have, sir.

Mr. NATCHER. As far as sequestration is concerned it did not take as far as public broadcasting was concerned. There was no reduction under sequestration, correct?

Mr. BRUGGER. We did lose some funds that were withheld.

Mr. NATCHER. I think if you will check it now, Mr. Brugger, you will find you lost no funds as a result of sequestration. Elementary and secondary education took a cut, our education took a cut. Vocational education took a cut. They all were under sequestration reductions. I wanted to just point this out to you.

A number of us have been on this subcommittee for a few years. I remember back during the days when Mr. Rockefeller talked to me about this program. We have always believed in public broadcasting. Mr. Brugger, I give you these figures just to show you now what time has done as far as increases are concerned. I think you have been treated right fairly now, Mr. Brugger. I think you have been treated right fairly as far as your figures are concerned.

You take the figures now in other programs in this bill. I don't know that you would have the increases more rapidly than you have had down through the years. But I did want to point this out to you.

I have problems with my friend Mr. Marquis. He comes to see me and I have trouble convincing him sometimes about these figures. I think sometime I might be wasting my time. You might help me with this a little. You might sit down and talk to him a little bit and see if you can help me with them. When I talk to him about the increases over the years, I don't seem to impress him much.

Mr. Brugger, we appreciate your coming. You have given us a good statement, an excellent statement. Men who sit on this side of the dais, I don't know of anybody up here who is against public broadcasting. We believe in public broadcasting.

Mr. BRUGGER. We know that, sir, we thank you for your support.

Mr. NATCHER. You should have been with us in conference on many occasions, sometimes 1 o'clock and 2 o'clock in the morning. My friend, Carl Pursell can tell you. They talk one way here and another way there. You should have been with us at 2 or 3 o'clock in the morning when my friend, Chalmers Marquis, was out walking up and down just like he was in the house outside that special room, walking up and down. You should have been with us. You will see who your friends are. We appreciate your coming. I give you these figures not to have any controversy with you as to your present request, but I just want to put in the record we have been friends of public broadcasting.

You know, Mr. Brugger, this is our country and it is our money. We ask for help every day on this subcommittee. We need help every day. We believe on this subcommittee it is the most important subcommittee on appropriations.

Mr. BRUGGER. I think so, sir, that is why we are doing what we can to help you and help you serve the people you are concerned about also.

Mr. NATCHER. There is no question about that. Mr. Brugger, let me say this to you: in the last nine years in Defense, $2,650,000,000,000, think about it, $2,650,000,000,000 in Defense. I voted for every one of those bills, Mr. Brugger. I am not qualified to tell the Joint Chiefs of Staff and the people who are experts that they are wrong. In education during those nine years it was $199,000,000,000. Think about that. It is $199,000,000,000 compared with $2,650,000,000,000. But anyway we appreciate your appearance. You have made a good witness.

Mr. BRUGGER. Thank you, Mr. Chairman.

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TUESDAY, MAY 1, 1990.

## MENTAL RETARDATION

### WITNESS

### RALPH J. MOORE, JR., GOVERNMENTAL AFFAIRS COMMITTEE, ASSOCIATION FOR RETARDED CITIZENS OF THE UNITED STATES

Mr. NATCHER. Our next witness is Mr. Ralph Moore. It is a pleasure to have you before our committee. I promise you, Mr. Moore, I will not put all those figures in following your statement.

Mr. MOORE. Thank you, Mr. Chairman.

Mr. Chairman and Mr. Pursell, it is a pleasure and honor to appear before you today on behalf of the Association for Retarded

Citizens of the United States, an organization of 160,000 members throughout the country, most of them parents of children and adults with mental retardation, dedicated to improving the quality of life of all persons with mental retardation. The ARC greatly appreciates your consistent efforts through the years to secure program expansions for Americans with disabilities.

We have an estimated 6,000,000 individuals with mental retardation in this country. That group constitutes almost 15 percent of all persons with disabilities. They are of all ages, from infants to senior citizens. Levels of retardation range from mile to severe and profound. The needs of persons with mental retardation and their families vary greatly.

Parents of persons with mental retardation need help to maximize their child's ability to learn, to work and to live as independently as possible in their communities. Government must and does play an important role in providing education, training, housing and other vital services. Dozens of federally supported programs assist persons with mental retardation. Since my time is limited, I would like to concentrate on several very important programs.

First, in the area of special education, we urge this subcommittee to give priority to increasing the appropriations to the Preschool, Early Intervention, Transition and Personnel Development Programs, as well as the Education for the Handicapped State Grant Program.

For the Preschool Program, the Congress has promised school systems a $1000 per child reimbursement in the next school year. We expect all children with disabilities from ages three through five will be receiving special education services next year. This is an outstanding achievement. The Congress and the schools deserve congratulations for authorizing, funding, and fully implementing this critical program. We hope that Congress will live up to its fiscal promise and fully reimburse school systems as authorized by P.L. 99-457.

Equally important is the Early Infant Intervention Program to serve infants and toddlers with handicaps. Most states will decide next year whether or not to opt into this program. Many of those decisions will be based on the level of commitment given by the Federal Government to fund this program. We recommend a funding level of $160,000,000 for the Part H program to successfully launch its service phase.

It is essential that parents participate meaningfully in the development of their child's special education program. Parenting a child with mental retardation can be difficult and so is attempting to understand the laws and regulations affecting that child's future. An important component of the Education of the Handicapped Act provides funds for parent training and information centers that assist parents to understand their rights and responsibilities under P.L. 94-142. This training helps parents secure a better education for their children. Unfortunately, nine states do not presently have a parent training center. We urge Congress to appropriate sufficient funds in the Special Education Personnel Development Program to allow for a parent training center in each state.

Recent Department of Education statistics also indicate a 5000 teacher shortage last year to educate children with mental retardation. Other disability groups also have significant teacher shortages, our children deserve qualified teachers. We recommend the Special Education Personnel Preparation Program be funded at $94,000,000 to address the teacher shortages and the expansion of the parent training centers.

P.L. 94–142, guaranteeing a free, appropriate education for all children with handicaps, has proven to be incredibly successful. Yet, almost 70 percent of children with disabilities are doing practically nothing one year after graduating, dropping out or aging out of school. We are spending large amounts of money to educate these children but we are leaving too many to "fall between the cracks" in their adult years. Nearly all persons with mental retardation want to and can work. Yet, a recent ARC survey indicates almost 70,000 persons with mental retardation are currently on waiting lists for adult services. This is a terrible waste, both in social and economic terms. Several programs need to be expanded to better prepare these individuals for jobs. One is the Transition Program under the Education of the Handicapped Act. We spend $1,500,000,000 federal dollars in special education but only $7,000,000 to assist the more than 200,000 special education students who exit schools every year to transition into the adult world. This program needs to expand quickly and we recommend an appropriation of at least $30,000,000 next year for it.

Two very important programs under the Rehabilitation Act also play vital roles in preparing young adults with mental retardation for work. They are the Vocational Rehabilitation State Grant Program and the Supported Employment State Grant Program. Both of these programs should be funded at their fully authorized levels of $1,875,000,000 and $31,000,000, respectively. This will allow for several thousand additional individuals with mental retardation to be trained to enter the work force, thus making them tax payers instead of tax users.

Mr. Chairman, since the needs of persons with mental retardation are lifelong, many other federal programs that I do not have the time to review today also need your attention and support. Very important are funding increases for the Jobs Training Partnerships Act, the Maternal and Child Health Block Grant, the Title XX Social Services Block Grant, and the Developmental Disabilities Grant Act programs. We have attached a table showing our recommendations on all these programs to my written statement. We sincerely hope the Congress sees fit to fund these programs at the recommended amounts. Again, Mr. Chairman, we thank you and members of this subcommittee for your strong support in the past and we hope you will again allow our programs to expand.

Mr. NATCHER. Mr. Moore, we want to thank you for your appearance. You have given us an excellent statement.

[The information follows:]

The following list of key disability programs compares the current (FY 1990) year's funding with the ARC's FY 1991 recommendations.

[In millions of dollars]

| Program | Fiscal year 1990 appropriations | Fiscal year 1991 ARC recommendation |
|---|---|---|
| Public Law 94-142 State grants | 1,542.6 | 3,493.0 |
| Preschool grants | 251.5 | 355.0 |
| Early intervention State grants | 79.5 | 160.0 |
| Special education personnel development | 71.0 | 94.0 |
| Transition grants | 8.0 | 30.0 |
| Vocational rehabilitation State grants | 1,528.5 | 1,875.5 |
| Supported employment State grants | 27.6 | 31.0 |
| MCH block grants | 553.6 | 686.0 |
| Title XX block grant | 2,762.0 | 3,300.0 |
| JTPA block grant | 1,729.7 | 2,711.5 |
| JTPA pilots and demos | 30.5 | 33.5 |

TUESDAY, MAY 1, 1990.

## EDUCATION FUNDING

### WITNESSES

JOHN H. BROCK, KENTUCKY STATE SUPERINTENDENT OF PUBLIC INSTRUCTION, REPRESENTING THE COUNCIL OF CHIEF STATE SCHOOL OFFICERS

DON AMBACH, EXECUTIVE DIRECTOR, COUNCIL OF CHIEF STATE SCHOOL OFFICERS

LARRY CONNOR, FEDERAL LIAISON, DEPARTMENT OF EDUCATION

Mr. NATCHER. Our next witness is John Brock.

Come around, Mr. Brock. Mr. Brock, Mr. Pursell, is the Superintendent of Public Instruction in the Commonwealth of Kentucky. We are delighted to have you and these other two gentlemen before the committee, and we will listen to you.

Mr. BROCK. Thank you, Mr. Chairman and Congressman Pursell.

On behalf of the Council of Chief State School Officers, I am pleased to have this opportunity to testify before your committee concerning education. It is certainly a great honor.

With me today are Don Ambach, Executive Director of the Council of Chief State School Officers; and Larry Connor of my staff, Federal Liaison in the Department of Education.

First, let me assure you, Mr. Chairman, that all the Chief State School Officers from across this Nation share your deep commitment to improving educational opportunities for our youngsters. In this regard, we commend you for your leadership in supporting a $4,000,000,000 increase in appropriations for education in fiscal year 1991.

We also want you to know that we share and support the educational goals set forth by President Bush. We also share and support the goals outlined in the Hawkins-Stafford Elementary and Secondary Education Act of 1988.

As Chief State School Officers, we want all youngsters in every State to be prepared upon graduation to be successful in the workplace, in the home, and in the community. But, Mr. Chairman, we need your help if we are to address the needs of students from economically and socially unsuccessful families.

Research and experience tell us that we need special concentrated programs to be successful with these students. That is what Head Start and Chapter 1 programs were designed to do, and we believe they have been successful.

But nationwide, at the traditional funding levels, Head Start has been available to only one-fifth of the eligible students, and Chapter 1 programs to only one-half of the eligible students.

We accept the President's goal of a 90-percent graduation rate by the year 2000, but to do that, we must have additional help with our hardest-to-educate youngsters.

Toward that end, the Chief State School Officers support a $5,000,000,000 increase above base line and $720,000,000 in new outlays for education, as well as full funding of the comprehensive child care and early childhood initiative. We also support a $1,000,000,000 growth in budget authority for Head Start, and a $1,000,000,000 increase over base line for Chapter 1, the Federal compensatory education program for disadvantaged students.

We, the Chief State School Officers, commend you for your leadership in gaining House approval of $1,000,000,000 for Chapter 1 in fiscal year 1990 and for your efforts to invest an additional $1,000,000,000 in Chapter 1 in fiscal year 1991.

A billion new dollars will allow us to serve approximately 1,000,000 additional children. That will move us toward increasing the percentage of children now served from 50 percent to 100 percent by 1993. It is an essential investment in the success of the children who are least likely to complete high school; those from the poorest urban and rural areas of America.

We commend the House Budget Committee for providing an historic increase of $2,500,000,000 above inflation for Federal education programs. However, when viewed from the perspective of significant cuts in Federal aid to education during the 1980s, $2,500,000,000 is simply not enough to provide adequate assistance to our Nation's most disadvantaged students.

We recommend, therefore, that funds sufficient to provide a $5,000,000,000 increase in education funding be allocated to your subcommittee and appropriated.

Mr. Chairman, let me also say that we recognize that our schools can be more effective. We also recognize that we can do a better job, but we need your support in that effort. To strengthen the quality of existing Chapter 1 programs in local schools, we urge the members of the subcommittee to embrace the President's request of $24,000,000 for program improvement efforts in Chapter 1.

We also request your support for earmarking a full 1 percent of Chapter 1 monies for States to use for evaluating local programs and providing program management assistance where needed.

To continue our ability to foster innovative and effective approaches to teaching, we request Chapter 2 appropriations of $515,000,000. In many States, Chapter 2 is the primary source of money for innovation and improvement. Our request will allow us to continue those efforts at current levels.

To improve our ability to be accountable to the public, which is so important, the Council strongly supports increases for the National Center for Educational Statistics and the National Assessment of Educational Progress.

Recognizing the Nation's need to improve science and math instruction, we support increases in programs such as the Dwight D. Eisenhower Mathematics and Science Program.

What I have highlighted those items deemed critical by the Council, we also believe that all programs serving at-risk students—handicapped education, bilingual education, and child nutrition programs—must receive increases for inflation and real growth in fiscal year 1991.

We would also urge you to support our requests without reducing current service levels for other vital job training, health and social service programs under the jurisdiction of the subcommittee.

As educators, we cannot work effectively in a social and economic vacuum, and those programs are also needed to support the families of the young people we serve in school.

The Nation's Chief State School Officers are committed to working as a full partner in making this Nation a people who are independent, productive and competitive in the international economy. We appreciate your support for our efforts.

Thank you very much for this opportunity to be here.

Mr. NATCHER. Mr. Brock, we want to thank you and your associates for appearing this morning. You have made an excellent statement.

Mr. Pursell, I yield to you.

Mr. PURSELL. You are such a vital leader in education, can I ask a couple of questions? As a former teacher and interested in education, do you think we ought to extend the school year? The elementary principals voted, I think, in Texas, two out of three, that we ought to take a look at that.

Mr. BROCK. I definitely think that increasing the learning time is one of the most important things that we could do in this Nation. In Kentucky, we have made summer school available for one-third of our lowest performing pupils beginning next summer.

Mr. PURSELL. Studies show that Japanese students are almost 40 hours in the classroom a week, and American students about 20, and with first-grade students in mathematics we start even, but when we get to fifth grade, we are dead last.

Mr. BROCK. I agree, I think the amount of learning time is very significant.

Mr. PURSELL. I have introduced a bill to establish grants for putting counselors in elementary schools. My experience is mostly as a counselor during high school. You mentioned Head Start—do you think it would be appropriate to have counselors in elementary schools?

Mr. BROCK. It is very critical that we have counselors at the elementary level. I support that, and I think the Chief State School Officers would also.

Mr. PURSELL. I have been concerned about the Federal level. We spend 40 or $50,000,000 on research, but I don't feel it is getting into the classrooms, and the mainstream teachers have an opportunity to share that.

Is it possible to decentralize our research where you might have an Institute for Partnership with your universities to have a closer linkage of research in your schools to look at the good ideas and look at the bad ideas and talk about the state of the art when we are looking at the 21st Century?

Mr. BROCK. I generally favor that the States would have more control over programs of that nature, but certainly the Federal Department of Education would also have a major role to play in research, so we could compare what is happening from one State to another.

But decentralizing out to the State level, a portion of that, would certainly be appropriate in my opinion.

Mr. PURSELL. Thank you. Thank you, Mr. Brock.

Mr. BROCK. Thank you, Congressman.

Mr. NATCHER. Thank you very much.

[The statement of John H. Brock follows:]

**COUNCIL OF CHIEF STATE SCHOOL OFFICERS**

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State Education Assessment Center 202/624-7700

# STATEMENT BY THE
# COUNCIL OF CHIEF SCHOOL STATE OFFICERS
# BEFORE THE
# APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION AND RELATED SERVICES

The Council Statement is Presented by
John H. Brock
Superintendent of Public Instruction
State of Kentucky
May 1, 1990

**President** WILLIAM B. KEENE, Delaware Superintendent of Public Instruction • **President-elect** HERBERT J. GROVER, Wisconsin Superintendent of Public Instruction • **Vice President** JERRY L. EVANS, Idaho Superintendent of Public Instruction • **Directors** J. TROY EARHART, Rhode Island Commissioner of Education • H. DEAN EVANS, Indiana Superintendent of Public Instruction • EUGENE T. PASLOV, Nevada Superintendent of Public Instruction • WERNER ROGERS, Georgia Superintendent of Schools • LYNN O. SIMONS, Wyoming Superintendent of Public Instruction • CHARLIE G. WILLIAMS, South Carolina Superintendent of Education • **Executive Director** GORDON M. AMBACH

Mr. Chairman, on behalf of the Council of Chief State School Officers, I am pleased to testify concerning education funding for Fiscal Year 1991.

Let me assure you, Mr. Chairman, that all the Chief State School Officers from across this nation share your deep commitment to improving educational opportunities for our youngsters. In this regard, we commend you for your leadership in supporting a four billion dollar increase in appropriations for education in Fiscal Year 1991.

We share and support the educational goals set forth by President Bush. We also share and support the goals outlined in the Hawkins/Stafford Elementary and Secondary Education Act of 1988.

As Chief State School Officers, we want all youngsters in every state to be prepared upon graduation to be successful in the workplace, in the home, and in the community.

Across the nation, our schools do a good job of educating youngsters whose parents are already economically successful.

But we need help if we are to address the needs of students from economically and socially unsuccessful families.
Research and experience tell us that we need special, concentrated programs to be successful with these students.

That's what Head Start and Chapter One were designed to do--and they have been successful. But nationwide--at historic funding levels--Head Start has been available to only one-fifth, and Chapter One programs to only one-half of the eligible students.

We accept the President's goal of a ninety percent graduation rate by the year 2000, but to do that we must have additional help with our hardest-to-educate youngsters.

Toward that end, we support the following:

1. A five billion dollar increase above baseline and seven hundred twenty million dollars in new outlays for education, as well as full funding of the comprehensive child care and early childhood initiative;

2. A billion dollar growth in budget authority for Head Start;

3. And a billion dollar increase over baseline for the Chapter One Compensatory Education Program for Disadvantaged Students.

On behalf of the Chief State School Officers, I commend you for your leadership in gaining House approval of a $1 billion increase for Chapter One in Fiscal Year 1990 and for your efforts to invest an additional billion dollars in Chapter One in Fiscal Year 1991.

A billion new dollars will allow us to serve approximately one million additional children. That will move us toward increasing the percentage of children now served from approximately fifty percent to one hundred percent by 1993. It's an essential investment in the success of the children who are least likely to complete high school--those from the poorest urban and rural areas.

We commend the House Budget Committee for providing an historic increase of $2.5 billion above inflation for education programs. When viewed from the perspective of significant cuts in federal aid to education during the 1980's, however, $2.5 billion is simply not enough to provide adequate assistance to our nation's most disadvantaged students. We recommend that funds sufficient to provide a $5 billion increase in education funding be allocated to your Subcommittee and appropriated.

We also request your support for earmarking a full one percent of Chapter One monies for states to use for evaluating local programs and providing program management assistance where needed.

To continue our ability to foster innovative and effective approaches to teaching, we request Chapter Two appropriations of five hundred fifteen million dollars. In many states, Chapter Two is the primary source of money for innovation and improvement. Our request will allow us to continue those efforts at current levels.

To improve our ability to be accountable to the public, the Council strongly supports increases for the National Center for Educational Statistics and the National Assessment of Educational Progress.

Recognizing the nation's need to improve science and math instruction, we support increases in programs such as the Dwight D. Eisenhower Mathematics and Science Program.

While I have highlighted those items deemed critical by the Council, we also believe that all programs serving at-risk students --handicapped education, bilingual education, and child nutrition programs--must receive increases for inflation and real growth in Fiscal Year 1991.

We would also urge you to support our requests without reducing current service levels for other vital job training, health, and social service programs under the jurisdiction of the Subcommittee.

As educators, we cannot work effectively in a social and economic vacuum, and those programs are needed to support the families of the young people we serve in school.

The nation's Chief State School Officers are committed to working as a full partner in making this nation a people who are independent, productive, and competitive in the international economy. We appreciate your support for our efforts.

Thank you for this opportunity.

TUESDAY, MAY 1, 1990.

## VOCATIONAL REHABILITATION

### WITNESS

### HOWARD E. STONE, EXECUTIVE DIRECTOR, SELF HELP FOR HARD OF HEARING PEOPLE, INC., BETHESDA, MD

Mr. **NATCHER**. Our next witness is Howard Stone.

Come around, Mr. Stone.

Mr. **PURSELL**. We would be proud to hear from you at this time.

Mr. **STONE**. Good morning.

My name is Rocky Stone, and I am the Founder and Executive Director of Self Help for Hard of Hearing People, known as SHHH. I am profoundly deaf, but through the assistance of this technology you have in front of me, I am able to function as a hearing person.

As you know, we are a volunteer, educational organization with members in all 50 of the United States. Our mission is to seek out those having hearing loss, involve them in local meetings and activities, and educate them about the problem, instruct them about detection, management and possible prevention of further loss.

We have organized a constituency of hard of hearing people to join forces with the existing deaf communities to push for research into all elements of hearing loss and to raise the quality and lower the price of remedial aids.

We work to develop public and professional acceptance of the needs of hard of hearing people, fostering a climate in which we can seek appropriate alternative communication skills. SHHH urges government at all levels to rectify existing inequities experienced by people with disabilities.

Mr. Chairman, the National Institutes of Health tells us there are 28,000,000 hearing-impaired persons in the United States. 2,000,000 are deaf, the other 26,000,000 have varying degrees of hearing loss. I appreciate the opportunity to be with you today, to share some good news as well as our recommendations for the fiscal year 1991 budget, on behalf of that large constituency.

First, the National Institute of Deafness and Other Communication Disorders, NIDCD. Last year, when I appeared before this committee, I said that the NIDCD had the opportunity to break new ground in the area of deafness and hearing impairment.

I am happy to inform you that it has done so. In major call for research and training centers, NIDCD has gone beyond the usual NIH offering in three major ways: Dissemination of research information to include the consumer is stressed; involvement with persons having deafness or hearing impairment is urged; and research and training are interactive with emphasis on innovation.

In addition to this encouraging sign, a permanent Director with outstanding professional qualifications is building on the excellent foundation laid by the Acting Director.

And yet, we have a lot of research catching up to do, as witness the woefully inadequate treatment of hearing loss in the draft public health document entitled, "Promoting Health/Preventing Disease: Year 2000 Objectives for the Nation."

As a result of both the promise and the need, SHHH strongly supports a budget figure of $165,000,000 for fiscal year 1991 for NIDCD. The level requested by the Administration is insufficient to continue much of the Institute's current research and would not begin to address Congressional concerns about the need for more basic and specialized research.

Dr. James Snow, Director of NIDCD, has testified on the need for research initiatives in numerous areas, including noise exposure, the most preventable cause of hearing loss. The critical need for more researchers, in particular the training of minority candidates for research positions in the communication sciences, cannot be met without increased funding.

Last year, NIDCD developed a long-range plan to implement recommendations for dealing with "critical research training" needs. Yet, the budget request does not allow for dealing with these needs.

More than one in every 10 Americans has a communication disorder, making this the most prevalent disability category in the U.S. As the population ages, the prevalence of hearing loss and association communication disorders will continue to grow rapidly.

Congress estimates that communication disorders cost the U.S. economy $30,000,000,000 a year in lost productivity, special education costs and health care costs. Vocational rehabilitators are just beginning to recognize the impact they can make by adapting rehabilitation programs to meet the unique needs of people with hearing impairment and other disabilities.

We recommend $1,875,500,000 for rehabilitation services, vocational rehabilitation agencies are only able to serve approximately one our of every 20 eligible individuals with disabilities. According to the National Center for Health Statistics, at least 22,000,000 working-age Americans are disabled in such a way as to chronically limit their ability to function.

Without a doubt, the benefits gained from providing appropriate rehabilitation services to deaf and hard of hearing people can be seen at various levels: From the intangible benefits, such as a heightened sense of personal worth, to the tangible return on the taxpayer's investment. The rehabilitation program increases revenue for all levels of government, and decreases the burden on income maintenance programs.

For rehabilitation services, technology-related assistance grants, we recommend $30,900,000. Assistive technology can have a major role in maximizing the independence of people with disabilities. An example of that is my presence here today.

For the hard of hearing individual, awareness of available assistive devices and having access to those devices is a crucial determinant of whether one can or cannot remain functional on the job.

Assistive technology for hearing-impaired people means the difference between being able to participate in public meeting rooms, courts of law and higher educational and training settings. Devices such as amplified telephones, Telecommunication Devices for the Deaf, TDD, and FM auditory systems provide many hearing-impaired individuals with information from their environment.

This provides hearing-impaired persons with the information they need to make informed decisions in numerous capacities; from responding to emergency alerting signals, to making informed decisions when voting. Public Law 100-407 will allow States to provide greater access to technology-related assistance, including funding for assistive devices for deaf and hard of hearing people.

For education of children with handicaps, State and local programs, we recommend $3,493,000. Advancements in medical technology have resulted in a higher survival rate in newborns. Consequently, we have an increasing number of infants, children and adolescents with hearing impairments, speech and/or language disorders and other handicapping conditions.

Advancements in our knowledge of the educational ramifications of hearing loss and other communication disorders has resulted in recent legislation mandating early detection and intervention of at-risk infants and toddlers, Public Law 99-457, the Education of the Handicapped Amendments of 1986.

In the past, many infants, toddlers and children went through the critical stages of language development, birth to 4 years, and school years, five to 21 years, with undetected hearing loss.

With early detection in infants and toddlers, the pervasive educational delays caused by hearing loss can be minimized, or prevented in many cases, through specialized education services and assistive technology. There are over 4,200,000 children with handicaps nationwide, ages 3 to 21.

With the implementation of Public Law 99-457, these figures will increase. It is crucial that these children and their families receive the continuum of educational support, which is presently mandated. This appropriation for fiscal year 1991 would mean a realization of 20 percent of the NAPPE times the number of children projected to be served in the school year 1991-1992.

With the increase in identification of hearing loss and provision of services to this group, we need to enhance the availability of appropriate technology, improve the present quality of assistive technology resources, and encourage the appropriate use of media, materials and technology in special education.

For special education technology, we recommend $11,900,000. Funding levels for the past three years have only afforded a continuation of the activities previously authorized. The recommended appropriation would help improve the utilization of other private and public resources to assess the effectiveness of technology, media and materials for special needs children. The funds would also allow for the designing and improvement of new technology while promoting the development, marketing and information dissemination of the new technology.

The Architectural and Transportation Barriers Compliance Board, ATBCB, is the only Federal agency focusing exclusively on the accessibility needs of people with disabilities, including hard of hearing people. The ATBCB has a unique role in setting Federal standards for accessibility.

The research and technical assistance programs conducted by the Board are critical if the barriers confronting individuals with hearing impairment and other disabilities are to be eliminated.

Moreover, the impact of ATBCB activities is far-reaching in that research findings are published, widely disseminated and incorporated into comprehensive Federal guidelines on accessibility. We recommend a budget of $2,750,000 for the Architectural and Transportation Barriers Compliance Board.

With this appropriation, the ATBCB could maintain its present activities, initiate research in more of its priority areas, and respond to projected increases in current and anticipated Federal standards.

Should the Americans With Disabilities Act pass, the Board will have too many responsibilities with too little money to carry them out.

Our recommendations will provide the resources necessary to pursue these important initiatives. Mr. Chairman, SHHH supports increased funding for all Federal programs, especially within the National Institutes of Health and the Office of Special Education and Rehabilitative Services, which have such a critical impact on the delivery of services to people who are deaf and hard of hearing.

We appreciate very much the opportunity of having been here with you this morning. Thank you.

Mr. NATCHER. Mr. Stone we want to thank you for your appearance. You have made an excellent statement. Thank you very much.

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TUESDAY, MAY 1, 1990.

## JOB TRAINING PARTNERSHIP ACT

### WITNESS

### HON. WILLIAM D. FORD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. NATCHER. Our next witness is our friend and colleague in the House from the State of Michigan, Bill Ford, who served now at the present time as the Chairman of the Post Office and Civil Service Committee, and will, beginning next year following the retirement of our friend, Gus Hawkins, become the Chairman of the Education and Labor Committee.

Every year since I have been chairman of this subcommittee, since 1979, and long before that, we have always called upon our next witness to help us. He has never failed.

If my friend, Carl Perkins, were alive and in this room today, he would tell you that education during the 20th century has never had a better friend than Bill Ford.

We would be glad to hear from you, and I appreciate your help down through the years. I have called you many times and want to keep calling you, and especially next year.

Mr. FORD. Thank you, Mr. Chairman. I appreciate those words from you more than by hearing anyone else say them. It has been a real pleasure for me to be learning at your elbow, so to speak, for years.

Carl Perkins taught me from the day I arrived, and one of the first things he taught me is you listen to Bill Natcher, because some day, you will have to go to him for money. Carl was right about that, and many other things.

Mr. Chairman, I am here—I wrote you about this to ask for a very modest consideration of something that you have given a lot of attention to in the past. It is not an education issue, but it is something else that I have worked on for many years.

We provided in 1982, in the Job Training Partnership Act, that the Labor Department would gather data and prepare each year a mass layoff survey which will give us some way to know what is really going on in this country with mass layoffs and shutdowns, and it has been a struggle to get them to obey the law over the years.

Unfortunately, the Administration has wasted not only years of our time, but millions of dollars, because of their refusal to implement the statutory mandate. In fiscal year 1984, this committee funded the mass layoff survey with $1,000,000 to plan and develop the survey.

In 1985, the President requested nothing in his budget, in spite of the statutory mandate, and this committee appropriated $5,000,000. The President sent up a recision request that brought everything to a halt until some three months later, when you rejected the recision, and that put us up into May of 1985 and we pretty well shot down that year.

The President requested nothing in 1986, and the $5,000,000 you eventually appropriated was cut by $215,000 as a result of Gramm-Rudman-Hollings.

In fiscal year 1987, no money was requested, but you provided $5,000,000. The program proved its value when the Bureau of Labor Statistics, at the direction of then-Secretary Brock, his Blue-Ribbon Commission on Plant Closings, used the mass layoff survey for the advance notice special survey in seven States.

The survey verified what GAO had told us, that most workers received no notice at all that their jobs would be lost in plant closings and mass layoffs. That data helped us to pass the Warren Act of 1988. All of the material that has been written recently as it reached its first year of application indicates that the fears that American business had about it being difficult to comply with were not correct and, as a matter of fact, I am pleased to note that the Labor Department indicates that more people than necessary are complying with the law.

It has a cutoff of 100 employees and, as a matter of fact, I see my co-sponsor of that legislation sitting here—I am sure he is as pleased as I am to see groups like the National Association of Manufacturers, which opposed us when we introduced the legislation, saying it has worked well, caused no trouble and they are happy to comply with it.

So, we are not pressing the idea that we want to force anything on anybody. The actual fact is that I think, although we gave employees the right to sue if an employer did not meet the requirements of the State, there have been less than a dozen lawsuits filed the first year of this program, which is an indication that once they were told, they should do it, employers have complied for the most part almost entirely on a voluntary basis.

We were able with that report that Secretary Brock put together to tell Members of the House and Senate the facts about what was happening in terms of the numbers of people in their States that were being affected for the first time.

Before that, we had to depend on anecdotal information and extrapolating various figures, and actually, in 1988, the President's budget did include a request for these funds, and you put up $4,180,000 of the $5,000,000 that he requested.

Now, in fiscal year 1989 and 1990, the program was in the President's budget and an additional $1,200,000 was approved for fiscal year 1990. Nevertheless, the program continues to lag. The 1988 Nationwide Report covered only 42 States and was not published until November of 1989.

The 1989 report has not been published yet, and when it is published, California will not be included, our largest State. MLS is a valuable tool, proving to be more so every day as it proved it is during the last debates we had on the plant closing on the Warren legislation.

The Northeast-Midwest Coalition recently sent a questionnaire to 250 employment and training officials in 12 States to find out which of the 22 data sets they thought were the most important and useful to them, and the survey ranked fifth out of those 22 in importance to them for the work they do.

There is no other tool available to track cutbacks in defense contracts as they begin to occur. If the problems of California's noncooperation can be resolved, MLS could prove invaluable to deal with the problems that defense cutbacks are going to give us to deal with.

There are two ways to solve the California problem. One is to appropriate the $550,000 that Mrs. Norwood tells us it would cost California for this survey.

They are the only State now not doing it, and they claim that because of their size, they would have all this cost to do it.

The second thing is a tougher way, for us to amend JTPA provisions and threaten a cutoff of Title III funds to any State that didn't participate in the program. While I might be easily persuaded that that is a reasonable tool to use, I haven't yet discussed it with Secretary Dole.

Mr. Hawkins would have an interest in it, and our ranking Republican, so I wouldn't want to suggest that there is a chance that we can get that done quickly. What we are asking for is $6,500,000, $6,000,000 for the basic study and $550,000 that the Secretary would then use as a tool to get California to redo their record system so they could, from then on, participate in the system.

It is not a big amount of money, but I know that the dollars that this committee has available to it are never enough for what all of us would like to do. I hope that the committee would look favorably upon giving us the $6,000,000 and favorably consider the special amount to bring California in.

When you realize the tremendous amount of defense industry in California, I find it difficult to understand why they can't find $550,000 to get them into the ball game, because if they do not come in, then we are just going to have to do something to force them to, as a condition of getting any of the remedial help that they will be asking for. I predict they will be up in front of the line asking for remedial help.

I don't want to start a fight with the State of my chairman under any circumstances. The nicest way is being hit with this

$550,000 and expect them from then on to take care of their problems the same as other States are doing.

Mr. NATCHER. Thank you for your appearance before our committee.

Mr. Conte, I yield to you.

Mr. CONTE. It is good to have my good friend here. We had that plant closing bill in education 14 years ago. It never got out of subcommittee. Then we go together with a package, and it got out of committee and became law. It is a pleasure working with my good friend, who will be the next chairman of that very important committee. We will have two great men, Bill Natcher and Bill Ford, working for education in this country.

I couldn't think of two finer men.

Mr. FORD. Thank you.

Mr. PURSELL. The testimony I always had problems with, but I guess over the years, I have learned from my mentors, Bill Natcher, Silvio Conte and Bill Ford. I learn from three outstanding Americans.

Mr. NATCHER. Thank you, Mr. Ford. You come back and see us any time you want.

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TUESDAY, MAY 1, 1990.

## PROGRAMS AUTHORIZED BY THE REHABILITATION ACT OF 1973

### WITNESS

### DONALD DEW, REGIONAL REPRESENTATIVE, NATIONAL COUNCIL ON REHABILITATION EDUCATION

Mr. NATCHER. Our next witness is Mr. Dew. We are glad to have you before the committee.

Mr. DEW. Thank you, Mr. Chairman.

I am Donald Dew, Professor of Counseling at George Washington University. I represent the National Council on Rehabilitation Education. We represent more than 100 universities and colleges with rehabilitation counseling programs and education programs, and over 600 educators and researchers around the country.

I would like to summarize my testimony with four points this morning. First, I want to assure the committee that NCRE and Rehabilitation Services Administration, the Council of State Administrators and NRA are working very hard to make sure we are using the monies that we have now wisely, and getting the most out of those dollars.

Secondly, we believe that the 42,000,000 Americans with disability in this country are entitled to services at the service delivery level from qualified, competent and well-trained personnel.

Third, we are reaching a crisis with personnel shortages. Personally, I know that within universities, one of the—we are not getting people coming into the universities at the education level to teach the younger professional, particularly those from typically underserved populations, for instance, with disabilities, and minorities.

Thirdly, the State rehabilitation programs are experiencing about a 15-percent turnover nationally. We are producing 1,500 rehabilitation graduates from our pre-service program. This is half what we need in that category. We are requesting full funding at the 35.52 level, and certainly appreciate this committee's support over the years.

Thank you.

Mr. Natcher. Thank you. You have made an excellent statement. We appreciate your appearance before the committee.

[The statement of Mr. Dew follows:]

STATEMENT OF

DONALD W. DEW, Ed.D.

DIRECTOR

REGIONAL REHABILITATION CONTINUING EDUCATION PROGRAM

GEORGE WASHINGTON UNIVERSITY

ON BEHALF OF:

**NATIONAL COUNCIL ON REHABILITATION EDUCATION**

"A Professional Organization Dedicated to Quality
Services for Persons with Disabilities
Through Education and Research"

BEFORE THE

HOUSE APPROPRIATIONS SUBCOMMITTEE

ON

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION

AND RELATED AGENCIES

RELATIVE TO THE

FY 1991 APPROPRIATIONS FOR

PROGRAMS AUTHORIZED BY THE REHABILITATION

ACT OF 1973, AS AMENDED

WASHINGTON, D.C.

May 1, 1990

The National Council on Rehabilitation Education (NCRE) is an organization composed of educators, researchers, a variety of human resource development specialists, and doctoral students dedicated to quality education and training for a variety of rehabilitation personnel. If adequate numbers of qualified rehabilitation personnel were available, more efficient and effective rehabilitation services could be provided to a greater percentage of our 36 million citizens with disabilities. These services emphasize the minimization of employment barriers faced by consumers, the evaluation and selection of employment/work options, and the maximization of opportunities for living as independently as possible.

It is my pleasure to have this opportunity to testify before this Subcommittee to express the views of NCRE regarding the critical need for knowledgeable, competent and qualified rehabilitation personnel and to support full funding as authorized ($38.52 million) for federally supported rehabilitation education and training, in Fiscal Year 1991.

## CRITICAL BACKGROUND ISSUES

Recent economic recessions have had devastating effects on the lives of our citizens with severe disabilities. An escallating proportion of individuals with disabilities have never worked and have been on some form of public assistance than persons in the general population. Part of the reason for this high unemployment condition among our citizens with disabilities has been attributed to the shortage of qualified rehabilitation personnel.

Winston Churchill once suggested that "The best indication of the civilness of a society is the way in which it responds to its disabled citizens." As a nation, we have been and are committed to this social philosophy, and in turn have enhanced the quality of life on behalf of citizens with disabilities, operationally transformed conditions of social defecit into social contribution, and turned tax consumers into tax contributors. In the 1984 Report to Congress by the Rehabilitation Services Administration, it was indicated that for every $1.00 spent to return an individual with a disability to work, $18.00 were returned to the tax base upon their placement in the workforce. Further evidence to this societal committment is witnessed by the fact that rehabilitation education and training was first authorized by Congress in 1954 (Public Law 565), and since then, federal funds have augmented state and local resources to support **pre-service professional** education for dedicated rehabilitationists in a variety of rehabilitation disciplines including: rehabilitation counseling, undergraduate rehabilitation services, vocational evaluation and work adjustment, job placement, rehabilitation facility administration, rehabilitation professionals specializing in working with individuals who have unique disabling conditions such as blindness, mobility, ambulatory, auditory and speech impairments, and physicians and paramedical professionals specializing in physical medicine and rehabilitation, among others. In addition to supporting pre-service education and training, federal funds also have been used for **continuing education and in-service training** of employed rehabilitation personnel to assist them in remaining on the cutting edge of technological and innovative advancements. One important result of this congressional initiative, is that over the past 36 years an impressive synergistic network of education and human resource development programs based in our U.S. colleges and universities, rehabilitation agencies and facilities, and continuing education programs has been developed and utilized efficiently and effectively.

Although this strong, efficient and effective rehabilitation education and training was established and has been supported since 1954, the importance of and necessity for qualified personnel to provide efficient and effective rehabilitation services has been overlooked. Efficient and effective services are generally directly related to the qualifications of providers. The bottom line is that when an individual with a severe disability goes to a rehabilitation services program for help, it is imperative that that individual be served by a qualified provider. "Qualified" is the key because it indicates that the service provider, in performing his or her duties, is ethical, educated and trained, knowledgeable, professional and skillful.

## IMPACT OF FUNDING FOR REHABILITATION TRAINING

Personnel shortages, advanced technology, turnover rates and retirements in both rehabilitation service delivery agencies and higher education, and the spiralling complexity of services required and demanded by new consumer populations, are among the critical factors contributing to an increasing demand for qualified rehabilitation professionals. In many instances, persons who previously would have died are now living and have many functional assets as medical advances and related technologies have greatly improved. Indeed, health care services are important. Nonetheless, an over-riding concern of NCRE is the need for qualified personnel to address the vocational (employment) and independent living needs of persons with disabilities. In addition, a significantly large and growing number of professionals with extensive experience and educational backgrounds in rehabilitation are reaching retirement age; this "aging-out" factor alone may be the most critical problem for rehabilitation services and rehabilitation education in the United States. Thus, IT IS IMPERATIVE FOR US TO BE ABLE TO ATTRACT NEW, TALENTED INDIVIDUALS INTO REHABILITATION SERVICES AND REHABILITATION EDUCATION. Today, qualified women, minorities, and individuals with disabilities are in short supply; economic realities, promotions and upward mobility, and the opportunities for higher salaries in other fields are luring many competent service providers away from rehabilitation services and many doctoral students and new, young faculty out of rehabilitation education.

More trained personnel will not solve all the problems that exist regarding efficient and effective rehabilitation service delivery. However, increased funding for new, highly needed programs and for programs that have outstanding track recordsfor preparing "qualified rehabilitation personnel" and for programs that have integrated innovative approaches and updated curricula to reflect the needs and demands of new consumer populations, we believe, is justified. Education, training and research efforts can have a tremendous positive impact on client services, and thus on the lives of individuals with disabilities, if these efforts are combined with good leadership, professional preparation and operationalized performance standards.

The major concerns for NCRE include the following:

> First state vocational rehabilitation agencies continue to experience high annual turnover rates of 14% to 16% in direct service delivery personnel. In our state agencies alone, attrition would consume all of the approximately 1500 graduates currently completing B.S. and M.S. academic programs in rehabilitation. This situation is likely to get worse if we fail to recognize the value and long-range benefits of federal support for rehabilitation education and training.
>
> Second, the demand for professionally prepared personnel is greater than ever before because of changes in the nature of populations now being served in the state-federal vocational rehabilitation program. An increasing number of students

involved IN SPECIAL EDUCATION PROGRAMS ARE NOW ELIGIBLE FOR TRANSITION SERVICES, after they complete their public school education, through state rehabilitation agencies. Through enhanced medical technologies, more lives are being saved and the functional capacities of individuals with severe disabilities are increasingly expanding. Changes such as these have created complex evaluation and service delivery problems. Disability population groups such as those limited by traumatic head injury, visual and auditory impairments, developmental disabilities, psychiatric impairments and the aging process, indeed are in need of special services. Not only would the provision of efficient and effective rehabilitation services to these individuals enhance their quality of life and render them as tax paying members of our society, but their opportunities to live independently and escape the bondage of the welfare stigma would be greatly increased.

Third, we in the rehabilitation professions believe that a crisis situation has arisen relative to recruiting and retaining "qualified" rehabilitation personnel. Many leaders in the field of rehabilitation have estimated that even with $60. million in federal support of rehabilitation education and training, it would take two to three years of implementation and utilization of the funds to meet the needs and demands of today. Moreover, it would be a very sad commentary on our society if, as a result of an insufficient number of qualified rehabilitation personnel, our fellow citizens with disabilities with vocational and independent living potentials, out of sheer necessity, wound up being served by our welfare-type of service delivery systems.

## HIGHLIGHTS OF JUSTIFICATIONS FOR INCREASING SUPPORT

* While the capacity of the state-federal vocational rehabilitation program and related service programs is estimated at approximately 1,000,000 persons, more than 600,000 individuals become disabled or limited in substantial ways that render them unemployable each year (Trietel, 1979).
* "Two-thirds of all disabled Americans between the ages of 16 and 64 years of age are not working" (National Council on Disability, Focus, Winter 1989).
* Recent research evidence clearly validates the positive effects that qualified rehabilitation personnel can have on the provision of rehabilitation services (Szymanski & Parker, 1989).
* The need for qualified practitioners has been documented, and master's degree level practioners are more efficient and effective than untrained personnel (NCRE, National Institute on Disability and Rehabilitation Research, 1987).
* There is documented evidence of the shortages of qualified rehabilitation personnel available for working with individuals with severe disabilities (U.S. Department of Education, Pelavin and Associates, 1988, 1989). Less than half of the rehabilitation counselors employed by state rehabilitation agencies have a master's degree.

## SUMMARY

Rehabilitation is an investment in human resources; it is not a welfare program. Appropos of Winston Churchill's challenge, it is our best way to demonstrate our civilness as a society. Our citizens with disabilities who have received services through qualified rehabilitation personnel have returned far more in taxable earnings than the program has cost. It would seem to be poor economic reasoning and unhealthy humanitarian concern to minimize the need for competent service providers which are so vital to the delivery of quality services to individuals with disabilities particularly when the ultimate goal is employment and/or self-sufficiency. In his January 20, 1961 Inaugural Address, President John F. Kennedy challenged us by stating, "Ask not what your country can do for you-- ask what you can do for your country". Our fellow Americans with disabilities can do, and want to do, many important things for our country. And with the provision of efficient and effective rehabilitation services, our fellow Americans with disabilities will do many important things for our country. It is imperative, however, that our rehabilitation services be provided by qualified rehabilitation personnel-- personnel who have been, and continue to be, professionally educated and trained.

On behalf of NCRE, I appreciate this opportunity to speak in support of full funding ($38.52 million as authorized) for rehabilitation education and training for Fiscal Year 1991. We commend this Subcommittee for the recognition of and insight into the needs of individuals with severe disabilities and the role and value that professionally prepared personnel can have on the employment success of disabled consumers and their efforts to gain employment and independence.

TUESDAY, MAY 1, 1990.

## NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

### WITNESS

### MERV GARRETSON, CO-CHAIR, COUNCIL OF ORGANIZATIONAL REPRESENTATIVES

Mr. NATCHER. Our next witness is Mr. Merv Garretson. We are glad to have you before the committee.

Mr. GARRETSON. Good morning.

I am Merv Garretson, representing the National Association of the Deaf as Co-Chairman of the Council of Organizational Representatives, COR. COR is a group of 15 national, regional and local organizations that are dedicated to sharing ideas and working together on behalf of all Americans with a hearing loss.

A list of these organizations is provided in my written testimony.

Today, millions of Americans are affected by a hearing loss of varying degrees. In addition, since each person with a hearing impairment may have a mother, father, wife, husband, son or daughter, sister, brother and friends and neighbors, the number affected by hearing loss, directly or indirectly, could probably go into the 150 to 200,000,000 figure.

As a totally deaf person myself since the age of 5, I have long been aware of the difficulties of communication and the need for increased communication access for people who do not hear. The impact upon parents of deaf children and their families has been enormous. Although some progress has been made, the quality of life for millions for people with hearing loss is by no means what it could and should be.

With the establishment of the National Institute of Deafness and Other Communication Disorders, there is new hope and promise that research will provide breakthroughs in understanding the ear and its workings, and in improvements upon the lifestyles of people with a hearing loss, and some day, the possibility of complete restoration of hearing.

We are all optimistic that the NIDCD will lead the way in providing answers and treatments, and at the same time will serve as the nucleus and clearinghouse for all information related to hearing loss. One cannot imagine the frustration experienced living in the greatest country on earth and having to search frantically for information and guidance when you learn that a loved one has a hearing loss.

Some of the activities of the Institute that hold promise are research into the genetics of hearing loss, improvement of hearing aids, cochlear implants and tactile aids, development of a vaccine for otitis media, seeking more effective rehabilitative strategies for the treatment of hearing loss in children and the elderly, with special attention on the educational needs of those who are prelingually deaf; development of assistive devices for enhanced communication, and launching a program to identify hearing loss in all children in the United States by the age of nine months.

At the Council of Organizational Representatives, many different groups come together each months to share and exchange information and provide direction to our coalition. It may be hard to believe this, but a more divergent group would be difficult to find. From research to medical associations, to those who believe in sign language as a primary way of communication, to those who promote oral communications, from cued speech groups to telecommunications groups, we all meet monthly. We represent well over 100,000 members seeking to assist all persons with a hearing loss.

It is most challenging to have the membership of the Council agree on everything but one item that has been endorsed unanimously is our recommendation that the budget allocated the Institute in fiscal year 1991 be $165,000,000. Thanks to you, Members of the House of Representatives, this money will be used to build the Institute from the solid foundation that was created with passage of the bill establishing the NIDCD.

We collectively thank you for initially recognizing this national need and ask that you support the Institute to the measure that will allow this foundation to move forward toward meeting these urgent needs.

Thank you very much.

Mr. NATCHER. Thank you very much, Mr. Garretson. You have made an excellent statement. We appreciate your appearance before the committee.

[The information follows:]

# STATEMENT OF THE
# COUNCIL OF ORGANIZATIONAL REPRESENTATIVES

BEFORE THE

HOUSE APPROPRIATIONS SUBCOMMMITTEE ON LABOR, HEALTH AND
HUMAN SERVICES, AND EDUCATION

CHAIRED BY CONGRESSMAN WILLIAM NATCHER

WITH RESPECT TO

FISCAL YEAR 1991 APPROPRIATIONS

FOR THE NATIONAL INSTITUTE ON DEAFNESS AND
OTHER COMMUNICATION DISORDERS

PRESENTED BY

MERVIN D. GARRETSON, CO-CHAIRMAN

MAY 1, 1990

Good morning. I am Merv Garretson, representing the National Association of the Deaf as co-chairman of the Council of Organizational Representatives. COR is a group of 15 national, regional, and local organizations dedicated to sharing ideas and working together on behalf of all Americans with a hearing loss. A list of these organizations is provided in my written testimony.

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We collectively thank you for initially recognizing this national need and ask that you support the Institute to the measure that will allow this foundation to move forward toward meeting these urgent needs. Thank you very much.

## THE COUNCIL OF ORGANIZATIONAL REPRESENTATIVES

Alexander Graham Bell Association for the Deaf

American Academy of Otolaryngology - Head and Neck Surgery

American Deafness and Rehabilitation Association

American Society for Deaf Children

American Tinnitus Association

Conference of Educational Administrators Serving the Deaf

Convention of American Instructors of the Deaf

Deafness Research Foundation

Ear Foundation

National Association of the Deaf

National Cued Speech Association

New York League for the Hard of Hearing

Self Help for Hard of Hearing People

Telecommunications for the Deaf, Inc.

## CORPORATE MEMBERSHIP

Corporate Services for the Deaf, Inc.

TUESDAY, MAY 1, 1990.

## OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

### WITNESS

### ROBERT BRABHAM, PH.D., EXECUTIVE DIRECTOR, NATIONAL REHABILITATION ASSOCIATION

Mr. NATCHER. Our next witness is Mr. Robert Brabham. Come around, Mr. Brabham, we will be pleased to hear from you at this time.

Mr. BRABHAM. Thank you, Mr. Chairman, Mr. Pursell and Mr. Conte. We have a written statement that we will leave with you. I know you will be terribly disappointed, I am not going to read all those pages to you.

This is truly a case of preaching to the choir. We are well aware of the support of you here this morning. There are a couple of things we wish to call to your attention.

I am Bob Brabham, Executive Director, National Rehabilitation Association, and we have nearly 18,000 members of the NRA and its seven divisions: The Job Placement Division, the National Association of Rehabilitation Instructors, the National Association of Rehabilitation Secretaries, the National Rehabilitation Administration Association, the National Association for Independent Living, the National Rehabilitation Counseling Association, and the Vocational Evaluation and Work Adjustment Association. We express our appreciation for giving us the opportunity to present our views.

The Rehabilitation Act of 1973, as amended, is one of the most complete and comprehensive pieces of legislation, and we are delighted with it.

As to the basic State program, we believe that full funding of the amount authorized earlier is extremely important. If we do not get full funding, and we are able to obtain only the amounts that the President has requested, we will serve tens of thousands fewer people than we are ready to serve, and are capable of serving, so we urge that you vote full funding as authorized.

Rehabilitation is one of those things like the old commercial, you can pay us now or you can pay us later, when the car breaks down. We are paying terribly for maintaining dependency. The same applies in the area of independent living.

On the matter of rehab training, we strongly urge full authorization for training. Because of the support, Mr. Chairman, that you and your colleagues created some years ago, rehab began to grow dramatically in the sixties. The same people that began in the sixties are about ready to retire.

We estimate that as many as 40 to 60 percent of the rehab professionals in this country can retire within the next three to five years, so we are going to have a real problem in the areas of training, and we strongly urge your help in helping us get qualified people ready.

We have a real problem on the horizon, and training is no place to save a few dollars.

Mr. Pursell commented about getting research down to the troops, as it were, in the areas of education. The same is true in rehab. The technology-related assistance groups, we strongly urge that that $30,900,000 be provided because it is the means by which that technology gets off the shelf and off the libraries and into the hands of rehab professionals.

Likewise, projects with industry is an example of working with industry. It is extremely important for the Rehabilitation Act. It provides the private sector the benefit of persons who are qualified. It provides people with disabilities the chance to become employed and provides rehab community professionals from business and industry to work in advisory capacities and give us the guidance we need.

We strongly recommend that the National Institute on Disability and Rehabilitation Research be fully funded. The current proposal before you by the Administration has said if you fund only what they request, they will be cutting by half the number of grants they can fund in the coming year. The thought that we would reduce research and reduce disability research makes no sense, and to accept a recommendation to cut those in half is unacceptable to thousands of people with disabilities in this country.

I want to remind you of something. The plight of disabled Americans is not good in this country. We talk a lot about unemployment in various communities and parts of cities in the disability areas. If you are disabled, you are looking at a 66-percent unemployment rate. I am not saying that wrong, 66 percent unemployment.

If you add to that if you are black and female and disabled, you are looking at 94 percent unemployment. This is no time to retreat from the kind of support this committee has provided over the years. We need your continued support to do something about the terrible plight of people with disabilities.

Thank you very much, Mr. Chairman.

Mr. NATCHER. Thank you very much, Mr. Brabham. You have made an excellent statement. We appreciate your appearance before the committee.

[The statement of Mr. Brabham follows:]

# STATEMENT OF THE
# **NATIONAL REHABILITATION ASSOCIATION**
# BEFORE THE
# HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

WITH RESPECT TO
FISCAL YEAR 1991 APPROPRIATIONS
FOR THE
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

PRESENTED BY
ROBERT BRABHAM, Ph.D.
EXECUTIVE DIRECTOR

MAY 1, 1990

Mr. Chairman, members of the Subcommittee, the National Rehabilitation Association is an organization whose purpose is solely to advance rehabilitation for persons with disabilities.

The nearly 18,000 members of the National Rehabilitation Association and its seven divisions -- the Job Placement Division (JPD), the National Association of Rehabilitation Instructors (NARI), the National Association of Rehabilitation Secretaries (NARS), the National Rehabilitation Administration Association (NRAA), the National Association for Independent Living (NAIL), the National Rehabilitation Counseling Association (NRCA), and the Vocational Evaluation and Work Adjustment Association (VEWAA) -- express our appreciation for giving us the opportunity to present our views.

## THE REHABILITATION ACT OF 1973, AS AMENDED

The Rehabilitation Act of 1973, as amended, is one of the most complete and well-balanced pieces of legislation in the human services field and a cornerstone in the Nation's effort to assist Americans with disabilities in their efforts to achieve meaningful employment and self-sufficiency.

People with mental and physical disabilities comprise a significant portion of the Nation's population - an estimated 36 million individuals. The size of the disabled population is not static, but continues to grow -- through accidents, injuries, illnesses, and births -- at an estimated rate of 500,000 annually.

Our Nation's past investments in this program have returned significant dividends to our Nation's taxpayers, and more importantly, to the persons with disabilities who receive rehabilitation services. Few, if any, programs funded by the Federal government consistently return so many benefits, both financial and personal, to all segments of our society.

The Rehabilitation Act Amendments of 1986 placed new requirements on the State-Federal Rehabilitation Program. The Rehabilitation Act was amended to (1) require each State Agency to provide Rehabilitation Engineering Services, (2) to assist State Rehabilitation Agencies in the establishment of Supported Employment Service Delivery Programs in each State, and (3) by other changes which, in conjunction with scarce resources, place more pressure on an already-overburdened service delivery system. These are worthy goals. They, however, place additional demands on a service delivery system which is only, due to the lack of resources, able to provide services to 1 out of every 20 individuals eligible to receive such services.

Sixty-six percent of individuals with disabilities aged 16 and over report that their disability prevents them from working. Individuals with disabilities comprise the most underemployed population segment of our society. It is therefore vital that State, Federal, and private partners cooperate to provide the assistance necessary for individuals with disabilities.

**REHABILITATION BASIC STATE SERVICE GRANTS**

We are recommending an appropriation level of the full authorization amount for the Basic State Vocational Rehabilitation Program, as amended, of $1,87~~5~~.5 million. Throughout its 70 year existence, this program has served millions of Americans with disabilities and has rehabilitated and placed well over 5.5 million people into meaningful, productive jobs.

A national survey of State Vocational Rehabilitation Agencies provides pertinent information as to the ability of the Rehabilitation Program to respond to the existing needs of people with disabilities. The results conclude:

- In FY 1990, the Federal/State Rehabilitation Program will serve over 930,000 people with mental and physical disabilities.
- Should the Congress only appropriate the President's request of $1,593.28 million, State Agencies estimate that they will serve nearly 20,000 less people with disabilities, than will be served in FY 1990.
- Should the Congress appropriate $1,875.5 million in FY 1991, the fully-authorized amount, State Rehabilitation Agencies will be able to serve nearly an additional 150,000 persons with disabilities, an approximately 16 percent increase over the number served in FY 1990.

## COMPREHENSIVE SERVICES FOR INDEPENDENT LIVING

NRA recommends $14.43 million for the programs under Part A; $30.17 million for Part B; and $6.56 million for Part C, the fully authorized levels. Under Part A of the Independent Living Program, State Agencies provide, or arrange for the provision of, any service which may enhance the ability of a person with a disability to live independently and function within the community and, if appropriate, secure and maintain employment. Currently, under Part B of the Program, only 40,000 individuals are being served by 146 recipients of Federal grants. Under Part C, grants are provided to State Rehabilitation Agencies and to other public or private nonprofit agencies or organizations to assist older persons who are blind to live independently.

## REHABILITATION TRAINING

We are recommending the full authorization level of $38.52 million for Rehabilitation Training Programs, a critical element in providing services to Americans with disabilities. Grants are made to help ensure that adequately skilled personnel are available to provide rehabilitation services to persons with disabilities. Because rehabilitation plans are tailored to each person with a disability, vocational rehabilitation depends upon a well-prepared "qualified" professional to deliver a wide range of services.

The President's recommendation of $31.11 million for Rehabilitation Training would not allow the Program to begin to address areas of critical training needs and personnel shortages. Besides not having enough qualified personnel, state rehabilitation agencies are facing increased demands to meet the call for supported employment, technology, and transition services. Without the increase in funding, the number of grants awarded to experimental and innovative training, continuing education, in-service training, and interpreter training will remain at the same level as in 1989.

## SUPPORTED EMPLOYMENT SERVICES

The NRA recommends $30.95 million for Supported Employment Services for persons with severe disabilities. The NRA recommends that Supported Employment be funded at the full amount authorized under Public Law 99-506, the Rehabilitation Act Amendments of 1986. This three-year old program holds great promise for securing employment for individuals who have not traditionally been eligible for rehabilitation services. If the fully-authorized amount is appropriated, several thousand additional individuals could be served and employed annually, and States could develop more collaborative funding arrangements to identify sources of ongoing support for individuals with other types of severe disabilities.

## TECHNOLOGY RELATED ASSISTANCE GRANTS

The NRA recommends that $30.9 million be provided for Grants to States for the newly established Technology-Related Assistance Grants. This program which was created in 1988 was created to increase access to assistive technology devices and services for individuals of all ages and disabilities. Without adequate funds, the states' progress will be impeded, and people with disabilities will continue to be denied access to the tools they need to receive an education, seek gainful employment and participate fully in society. Assistive technology can play a significant role in maximizing the independence of people with disabilities. The success of this program depends on the full participation of all the states in developing comprehensive, coordinated systems of service delivery.

**PROJECTS WITH INDUSTRY**

We recommend $19.93 million, the fully authorized level, for the Projects With Industry (PWI) Program. The PWI program's history of successful placement of individuals with disabilities as wage-earners in the private sector justifies FY 1991 appropriations at the recommended level. The key to the effectiveness of the PWI program is the partnership among business, individuals with disabilities, and the rehabilitation community. Private sector employers benefit from having a pool of trained workers available for existing job slots; people with disabilities benefit from the opportunity to become productive, tax-paying members of society; and the rehabilitation community benefits from management assistance provided by Business Advisory Councils. According to RSA, over 14,000 individuals with disabilities were placed in jobs in the competitive labor market at wages comparable to those paid to workers without disabilities for program year 1988. If funding were to be frozen for this valuable program, fewer individuals with disabilities will become gainfully employed in the competitive market.

**NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH**

We recommend that the National Institute on Disability and Rehabilitation (NIDRR) be fully funded at $60.38 million. NIDRR provides for a comprehensive and coordinated approach to the administration and conduct of research, demonstration projects, and related activities concerning the rehabilitation of persons with disabilities. The Administration has already forewarned Congress that if its recommendation of $54.32 million were adopted it would fund less than half of the research and demonstration projects and innovation grants than were funded in 1989, a combined decrease from 82 to 42 grants. At the full authorization level, NIDRR would be able to fund approximately the same number of field-initiated and innovative research grants as in FY 1989.

**CONCLUSION**

Mr. Chairman, the Rehabilitation Act and the programs it authorizes signifies our society's recognition of its responsibility to provide citizens with disabilities the opportunity to be full participants in the mainstream of life.

We thank you Mr. Chairman and Members of the Subcommittee in advance for appropriating funds for the Rehabilitation Program at the levels we have recommended in this testimony.

Thank you.

TUESDAY, MAY 1, 1990.

## IMPACT AID

### WITNESS

**SERGEANT MAJOR C.A. (MACK) McKINNEY, USMC RETIRED, LEGISLATIVE COUNSEL, NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA, ALEXANDRIA, VA**

Mr. NATCHER. Our next witness is C.A. McKinney.

Sergeant Major McKINNEY. Thank you, Mr. Chairman.

I appreciate this opportunity to be here today to express the views of my association in regards to Impact Aid. There are times when I think some people feel that some of us who come before this distinguished subcommittee should be a little embarrassed because you have so many needy requests that appear to be much more needy than, for example, Impact Aid.

In my case, I spent 30 years in the Marine Corps, and have been working with the military for 19 years, so I have no difficulty in asking the committee to approve full funding for the Impact Aid program as approved or authorized for fiscal year 1991.

The Administration's request, as the chairman knows, is $660,900,000, or 9.8 percent below the fiscal year 1990 appropriated level. It again recommends the elimination of "B" children from the program, but NCOA and the National Military Families Association asked me also to speak in their behalf, finds that if we lose B programming funds, that we end up having adverse actions taken by the schools throughout the area, particularly in the past two decades and are now occurring in certain school districts that claim inadequate funding for properly educating the children of our military personnel.

Such occurrences I have listed in my prepared statement, Mr. Chairman, and particularly those on military installations in the San Antonio, Texas area are mentioned therein.

To emphasize the San Antonio problem, there appeared in The Washington Post this morning an article concerning the state of affairs in the Texas school system. Perhaps the chairman would want a copy for the record. I would be delighted to provide that.

Mr. Chairman, in conclusion, the Non Commissioned Officers Association and the National Military Families Association appreciates this opportunity to appear, no matter how briefly, on behalf of the military parents of children affected by reductions in Impact Aid funding.

The two organizations ask the subcommittee and Congress to be as generous as possible, in order to furnish military children with the best of basic education programs.

Thank you very much for your time, sir.

Mr. NATCHER. Thank you very much, Mr. McKinney. You made an excellent statement.

[The statement of Sergeant Major McKinney and attachment follow:]

NCOA

Non Commissioned Officers Association of the United States of America

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF

Sergeant Major (Mack) McKinney, USMC Ret.

Legislative Counsel

before the

Subcommittee on Labor, Health and Human
Services and Education
Committee on Appropriations
U.S. House of Representatives
Second Session, 101st Congress

on

Impact Aid

May 1, 1990

*Chartered by the United States Congress*

Mr. Chairman. The original law governing federal support for impacted schools was enacted in 1951. It provided financial aid for the education of children of military personnel. In the ensuing years the law was amended to cover children of civil service employees (1953), Indian students (1958), and low-rent housing students (1976). According to the latest statistics available to the Association (NCOA) there are more than half a million military children eligible for impact aid, nearly 745,000 low-rent housing students, 647,000 children of federal civilian employees, and 103,500 Indian students.

Prior to 1969 impact aid funds were adequate to support entitlements. Thereafter, entitlements were prorated at 84.5 percent in 1970, 81.7 percent in 1976, 64.4 percent in 1985, and even less in the last five years. In fact, total appropriations have decreased during the FY 1980-FY 1989 time-frame by 11 percent. For FY 1991 the Administration is recommending $660.9 million with no provisions to fund payments for certain 3(d)(2)(B) or "b" children. These are children of military personnel and federal employees working but not living on federal installations.

The recommendation to again eliminate payments for certain "b" children is based on the Administration's premise that their presence "creates no major (significant) financial burden for local school districts." This is no more fact then to say payments are adequate to reimburse school districts for educating "a" children. Past experiences in withholding or reducing impact aid funds prove that school districts suffer both financially, and operationally. Beginning in 1970 with the Bellevue (NE) Public School District through 1987 when the Douglas (SD) School District was in danger, military impacted schools have faced tough decisions because appropriations were not sufficient to furnish students with the most basic of education programs. This has led to school closings, reductions in school programs or their termination, lawsuits, threats to charge tuitions or increase property taxes, bill the Department of Defense (DoD), and fire teachers. None of these actions has caused the need for impact aid funds to shrink nor has it solved any of the problems related to lower prorations.

In late 1989 and again this year NCOA has been approached by soldiers and airmen and their families alarmed over the possibility that schools may be closed on Fort Sam Houston and Lackland and Randolph Air Force Bases located in the San Antonio, Texas area. In correspondence with the affected schools, officials advise Association officers that reforms enacted more than 5 years ago in the State of Texas have forced school budgets to rise by 50 percent. To help offset the increase, local officials levied additional taxes in their school districts.

The State of Texas also requires schools to reduce the student-teacher ratio and undertake other costly measures without offering the schools additional funds. Since the above schools are coterminous mentioned they cannot raise taxes or secure bonds. Their only reasonable answer is for the federal government to appropriate the necessary monies. Otherwise, the Fort Sam Houston independent school district, which recently cut its teacher and clerical worker hires, will have to close its doors. This is a tragedy for the school produces students with above-average scholastic aptitude scores, and has minuscule drop out rates. It's doing what all good schools are supposed to do-provide quality education for our children.

The very thought of these schools being in trouble because of a lack of impact aid funds appears to be contrary to the intent of Public Law 87-874. The law declares that the United States should provide "financial assistance for local education agencies upon which the United States has placed a financial burden." NCOA submits that the declaration was not to provide partial fundings but to reimburse schools in full for taxes not collected for educating Section 3 children.

It is indeed fortunate that Congress authorizes and appropriates greater fundings for impact aid, otherwise the Administration's request would be most inadequate. Nevertheless, the sum is insufficient to provide aid to the 1300 school districts serving military children.

There is nothing that can replace the need to educate the children of this nation. It is indeed worthy that the federal government provides funds to assist many less-fortunate children to achieve at least a 12th grade education. And it is commendable that the federal government authorizes and appropriates funds for school districts that are impacted with military and civilian personnel living and/or working on federal installations. However, as laudable as it may be, impact aid is taking a beating trying to compete with other Department of Education programs.

NCOA believes that the basic education of our country's youth, particularly those who desire to attain a competitive level of learning, is vital to the future well-being of the nation. One way to provide support of this goal is for Congress to finance that portion of impact aid to schools necessary for adequate public education of military and civilian children working on federal installations.

Thank you

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# Texas Fails to Enact School Plan

## *Court-Imposed Deadline to Equalize District Financing Passes*

By David Maraniss
Washington Post Staff Writer

AUSTIN, Tex., April 30—The nation's third-largest public-education system entered a period of enormous uncertainty and potential financial disaster tonight when the state of Texas failed to enact a plan equalizing funding for rich and poor school districts. The Texas Supreme Court last fall declared the system unconstitutionally inequitable.

Although the court ruling gave state lawmakers until Tuesday to resolve the school-financing issue, it is unclear what may happen as a result of their failure to meet the deadline. The court can cut off all state aid immediately, and a state judge overseeing the case may consider doing so at a hearing Tuesday morning.

Comptroller Bob Bullock said he would freeze education funds at midnight tonight, including checks for employees of the Texas Education Agency, unless the court directs otherwise.

Texas education chief William Kirby has asked all school districts to remain open even if state aid is halted, but a few of the poorest districts in the poverty belts of the Rio Grande Valley and El Paso indicated that they might be forced to close. Several of those districts rely on the state for 90 percent or more of their finances. Overall, the state provides about half of the money needed to run the schools of Texas.

The state's inability to resolve the issue was as much the result of political differences as disputes over education philosophy.

Late last week, near the end of a second special legislative session devoted to school finance, the legislature passed a $555 million bill aimed at rectifying an inequitable system in which as much as $2,000 more per child was being spent in tax-rich districts than in poor ones. The measure was to be funded by a half-cent increase in the state sales tax.

Gov. Bill Clements (R) said that the legislation was too expensive and that he could not accept a tax increase. He was expected to veto the measure today, on the eve of the deadline, but a technical hangup prevented him from receiving it, so the veto is expected Tuesday. He predicted that the court would grant the state an extension and that the problem could be resolved in a third special session that he plans to call starting Wednesday.

Clements, who is not seeking reelection this year, returned to office four years ago on a "no new taxes" pledge that prefigured President Bush's similar vow. But soon after election, Clements approved what turned out to be the largest tax increase in state history. Even though the half-cent sales tax hike this time would be more modest, Clements wanted to avoid taxes in this election season. His position has been the source of intense dispute.

> *"[Clements] has used this whole issue as a political pawn in a chess game he's got."*
>
> —John Cole,
> Texas Federation of Teachers

The state's 200,000 teachers are especially upset with Clements. "He has used this whole issue as a political pawn in a chess game he's got," said John Cole, president of the Texas Federation of Teachers. "It's very frustrating for us. His action comes after a long series of obstructionist behavior by him. It is totally in keeping with his attitude as an anti-education governor."

Hundreds of teachers traveled to Austin today to picket the governor's mansion across from the state capitol building. The picketers included the entire faculty of Itasca, a small town between Waco and Fort Worth. The Itasca teachers arrived wearing badges that read "No Good Bill is Bad Grammar: No Bill is Poor Representation." The "No Good Bill" was a reference to Clements, who used that phrase to describe why he would veto the measure.

Kathi Higgins, a government teacher at Itasca High said her school was suffering greatly because of its poor tax base and lack of state funds. The funding problems are small and large in Itasca where officials had to eliminate the position of guidance counselor, cut out three coaching positions and could not replace the mimeograph machine when it broke down last semester. "I had to deliver my final exams orally because we could not afford to reproduce them," Higgins said. But far more ominous is the possibility that Itasca will have to close its doors altogether next year because of its lack of money.

Higgins and other teachers said they hope their presence in Austin will have an effect similar to what happened two weeks ago in Oklahoma City, where a massive teacher protest was largely responsible for pressuring the legislature to pass an education-reform package.

Like most issues involving taxation and several levels of government, the question of how to finance school equalization is riddled with contradictions. While Clements says he is opposed to new state taxes, for instance, many poor local school districts have been faced with large tax increases just to keep pace with a diminishing tax base. Polls show that most taxpayers want excellent schools yet are reluctant to pay more local or state taxes for them. A Houston Post survey this week showed that 70 percent of respondents supported Clements's antitax position on the school-funding issue.

With property taxes, which provide the local funding for schools, rising dramatically in Texas and across the country in recent years, taxpayer revolts are becoming more frequent. In New Jersey last week, almost half of the state's school-district budgets were rejected by voters who would not accept tax increases.

### CORRECTION

A Business article April 5 incorrectly reported that Gannett Co. was a corporate donor to Planned Parenthood. The Gannett Foundation, a separate organization, has been a corporate donor.

TUESDAY, MAY 1, 1990.

## CHAPTER I—EDUCATION CONSOLIDATION AND IMPROVEMENT ACT, 1981

### WITNESS

**MICHAEL L. DENINGER, DEAN OF PRECOLLEGE PROGRAMS, GALLAUDET UNIVERSITY, REPRESENTING THE CONFERENCE OF EDUCATIONAL ADMINISTRATORS SERVING THE DEAF, INC.**

Mr. NATCHER. Our next witness is Mr. Michael Deninger.

Mr. DENINGER. Thank you, Mr. Chairman.

I am Michael Deninger, and I am here representing the Conference of Educational Administrators Serving the Deaf, CEASD. The Conference is more than 120 years old, having been founded in 1868, and our membership includes administrators of schools, clinics, governmental agencies, and teacher training programs serving deaf children, youth and adults. Many of the members of our Conference and administrators in State-operated and private schools for the deaf. These are sometimes called center schools, and were especially dependent on Chapter 1, ECIA, Public Law 89-313 funds for the support of their programs.

This morning, I would like to impress on you how much our State-operated and private residential schools rely on Chapter 1, ECIA, funding as a critical source of financial support for special programs.

Chapter 1 funds are the only Federal funds available to center schools for the deaf, and support a variety of programs for deaf students at all age levels and the individuals who work with these students.

Chapter 1 funds have been used in support of important programs to improve sign language skills of interpreters, to provide career preparation programs for multiply-handicapped deaf youth and to provide summer programs for deaf students.

These funds have also been used to support after-school enrichment programs, to establish dormitory learning centers, personal computer training programs and reading enrichment and language development programs for deaf students.

This morning, along with our companion organization of teachers, the Convention of American Instructors of the Deaf, I would also like to encourage your committee to support funding for programs authorized under Chapter 1, ECIA, at $170,000,000.

Chapter 1 funds have made a difference in the quality of services and the morale of the professionals at our center schools. Mr. Chairman, only last week, I observed the effects of Title I funds in action as I visited the Cleary School for the Deaf in Ronkonkoma, Long Island. Young deaf students and their teachers were being instructed in the use of American sign language, an activity which would not have been possible without these needed funds.

Following the enactment of Public Law 94-142, center schools for the deaf in this country experienced significant reductions in our enrollments. Although the numbers of students attending these schools have declined, the enrollments of most of our schools have now stabilized and we are serving significantly higher numbers of students with additional handicapping conditions, students whose educational needs are complicated, diverse and expensive, and these are a challenge to develop programs to serve.

In striving to meet these special needs, Chapter 1 funds have been critical to our success. In addition to the programs mentioned before, these funds have supported in-service training, parent education, and services to hearing-impaired infants.

Mr. Chairman and members of the committee, the Conference of Educational Administrators Serving the Deaf is seeking your support in the form of the continuation of Chapter 1 funds above their recommended level in the amount of $170,000,000.

Thank you.

Mr. NATCHER. Thank you very much, Mr. Deninger.

As you know, your President, King Jordan, appeared before our committee. He made an excellent presentation, and in addition to the President of Gallaudet, we had before the committee the Trustees that serve in the Congress.

As you know, Steve Gunderson of Wisconsin and Dave Bonior of Michigan serve as Trustees on your Board, good Members of the House, are very concerned about your institution. We want to thank you for your appearance.

Mr. DENINGER. Thank you for your time.

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TUESDAY, MAY 1, 1990.

## SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS (TRIO)

### WITNESS

DR. CATHERINE A. TISINGER, PRESIDENT, NORTH ADAMS STATE COLLEGE, NORTH ADAMS, MA, REPRESENTING THE NATIONAL COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS

Mr. NATCHER. Our next witness is Dr. Catherine Tisinger. We will be pleased to hear from you.

Mr. Conte, I yield to you.

Mr. CONTE. I know Dr. Tisinger very well. She is a constituent of mine, and I know her requests for funding are heartfelt, because over the past two years, her school has lost money due to reduced State funding.

I will do what I can to support higher education and she can count on me to go to bat for her for her TRIO program. She is one of the leading educators of the country.

Mr. NATCHER. Thank you, Mr. Conte.

Ms. TISINGER. Mr. Chairman, Mr. Conte, Mr. Pursell, I represent two associations this morning. I am Catherine Tisinger, representing the American Association of State Colleges and Universities, and the National Council of Educational Opportunity Associations.

We are here to speak today particularly on the TRIO programs, of which you are aware. I would like to, in addition to the prepared statement, highlight several factors which I think support, first of all, and demonstrate the appreciation of the higher education community for the support of this committee over the years in the TRIO program.

Currently, 500,000 students are being served by the TRIO programs, but that is less than 5 percent of the total need for those who are determined by current regulations as eligible. Two-thirds of those served are from families whose taxable income is less than 150 percent of the poverty level, and neither parent has graduated from college.

Sixty-six percent of the students served under the TRIO programs today are from minority communities. That is almost exactly the opposite of what it was 10 years ago. Harold Hodgkinson, in a recent study, found that the TRIO students, both in number and percentage of the population, are growing.

Sixty-eight percent of my institution's students are TRIO-eligible, which gives an institution like ours an enormous responsibility. At North Adams, we have a number of programs, but one which particularly is effective. We take students who are considered to be in the highest risk category and we give them a transitional seminar in the summer, six weeks' experience to make the transition from their high school experience to the college level.

We look at those particular summer students in a unique way, and then we follow them carefully throughout their college program. We have found that of those summer students, 60 percent persisted to completion of their degree within eight semesters. Eight semesters are required to complete college work.

To complete it in eight semesters is in itself an accomplishment. I am proud of the fact that that 60 percent completion is higher than our general college rate. The grade point average of those participants is almost exactly equivalent to the general college population, and of last year's participants, 62 percent wanted to continue their educations in graduate school, either immediately leaving North Adams or after a reasonable period of time.

We cannot document it for the total population very carefully, but we estimate that if we take the general population, only 20 to 30 percent of our students have immediate aspiration. Of the students at risk, TRIO participants are more than twice as likely to complete their freshman year and go on to graduate.

If you look at the TRIO program as an investment, which we believe it is, everyone wins. The individual wins who passes through the program, and achieves a level of competence, of independence and economic security, which was unknown to them at the time that they began their college experience.

I am reminded of a young man, Michael, whose parents came to me last weekend when we had our honors luncheon. The parents said, "We never dreamed we would be here today and see our son graduate." The addition fillip to their joy that day was that Michael was honored for leadership in several categories and that he was going to leave the institution as one of our outstanding graduates.

The institution wins because it helps maintain diversity. Finally, society wins because the TRIO programs are one of the ways in which we can counteract what is becoming an alarming national trend, the diminishing rate at which minorities participate in higher education.

On behalf of these associations, we have several recommendations. We appreciate the support of this committee in the past in continuing to fund TRIO on a strong basis. But the job is yet to be finished.

Because we have only 5 percent of the TRIO-eligible students in the programs, we need to reach more, so our first recommendation is that the number of students covered under TRIO be doubled.

In order to do that, we have a dollar recommendation of $508,800,000. Finally, we would also request that some way be found to correct the fact that decisions which have recently been made within the Department of Education are resulting in some institutions receiving less than the funded level, which takes into account the inflation rate of 4.2 percent.

For institutions having to cope with inflation as well as reduction in actual funds is a double threat, and it means that we cannot fulfill our mission in regard to the TRIO students.

Recently, there has been a very effective television commercial from an investment house, which I will not name, which discusses very clearly their investment philosophy that you make investment decisions one at a time. The TRIO program translates that investment philosophy into human capital terms, and it is those terms which are most important for national security.

Thank you, sir.

[The statement of Ms. Tisinger follows:]

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Association of Special Programs in Region Eight

Caribbean Association of TRIO Programs

Mid America Association of Educational Opportunity Program Personnel

Mideastern Association of Educational Opportunity Program Personnel

New England Association of Educational Opportunity Program Personnel

Northwest Association of Special Programs

Southeastern Association of Educational Opportunity Program Personnel

Southwest Association of Student Assistance Programs

Western Association of Educational Opportunity Personnel

# TESTIMONY OF DR. CATHERINE TISINGER

PRESIDENT, NORTH ADAMS STATE COLLEGE

NORTH ADAMS, MASSACHUSETTS

ON BEHALF OF

THE NATIONAL COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS

AND THE AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

BEFORE THE
SUBCOMMITTEE ON LABOR, HEALTH AND
HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

REGARDING
SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED
BACKGROUNDS (TRIO)

MAY 1, 1990

AASCU AND THE NCEOA RECOMMEND A FUNDING LEVEL OF $508.8 MILLION FOR TRIO FOR FISCAL YEAR 1991

*"CELEBRATING DIVERSITY AND ENHANCING EDUCATIONAL EQUITY BY PROMOTING UNITY"*

Mr. Chairman, Mr. Conte, Members of the Subcommittee, I very much appreciate the opportunity to testify before the Subcommittee today. My name is Catherine Tisinger and I am the President of North Adams State College in North Adams, Massachusetts. I am testifying on behalf of the American Association of State Colleges and Universities and the National Council of Educational Opportunity Associations. I am particularly pleased to be testifying on behalf of the TRIO programs because I believe that one of the TRIO programs, Student Support Services, has been a very important factor in assisting us in maintaining a diverse student body at North Adams State and in assuring that low-income, first-generation students admitted to the college have a realistic chance of graduating.

## The TRIO Programs

As you know TRIO refers to a set of six programs authorized under Title IV of the Higher Education Act of 1965. They are formally known as the Special Programs for Students from Disadvantaged Backgrounds. As a group, the six TRIO programs are designed to identify qualified individuals from low-income families who are in the first-generation in their families to attend college, to prepare these students for post-secondary education, to provide supportive services to them while they pursue programs of post-secondary education, and to motivate and prepare them for doctoral programs.

In Fiscal Year 1990, TRIO projects will operate in over 900 colleges and universities and over eighty community agencies. Slightly over 500,000 youth and adults, from seventh grade through college, will be served. Two-thirds of the individuals served by the TRIO programs are from families where the taxable income is less than 150% of the poverty level and where neither parent graduated from college. Among TRIO students, 41% are black, 35% are white, 17% are Hispanic, 4% are American Indian and 3% are Asian.

STUDENTS SERVED AND PROJECTS FUNDED BY TRIO APPROPRIATIONS

FY 1990

| | DOLLARS | STUDENTS | PROJECTS |
|---|---|---|---|
| EOC | 12.1 million | 112,000 | 41 |
| McNair Post-baccalaureate Program | 3.0 million | 930 | 14 |
| Student Support Services | 90.6 million | 153,300 | 716 |
| Talent Search | 27.1 million | 197,810 | 178 |
| Upward Bound | 106.0 million | 38,030 | 504 |
| Training | 1.5 million | - | - |
| Evaluation | 1.5 million | - | - |
| Total | $241.8 million | 502,070 | 1,453 |

The Students Eligible for TRIO Programs

Recently, the National Council of Educational Opportunity Associations began examining data from the National Longitudinal Study of 1980 high school seniors to better understand the characteristics, enrollment patterns, and retention record of students who meet the TRIO eligibility criteria. These numbers tend to underestimate the eligible population both because many low-income students drop-out of school before their senior year and because low-income students are somewhat likely to overestimate their parents' income. Also, it is important to recognize that the numbers of TRIO-eligible students and their percentage in the population are growing.

Harold Hodgkinson in his recent study, "The Same Client: The Demographics of Education and Service Delivery Systems", notes major demographic changes taking place. These include significant growth in the numbers of low-income families and much smaller growth in the number of middle-income families. Moreover, with decreasing middle-class birth rates, it appears that as we move into the next century an increasing number of young people will be from low-income families.

Of 1980 high school seniors, 32% were eligible for the TRIO programs--their family income was less than 150% of the poverty level and neither parent had graduated from college. Among those eligible, 33% started a postsecondary institution on a full-time basis immediately after high school. This compares with 49% of the higher income students who began college directly after high school.

Among TRIO-eligible students, 1% were American Indian, 1% were Asian, 22% were black, 9% were Hispanic and 67% were white. Another way of looking at this is to say that among all American Indian high school seniors, 41% were eligible for TRIO; among Asians--29%; among blacks--57%; among Hispanics--52%; and among whites--26%.

There were also, of course, significant differences in the enrollment patterns of students based on TRIO eligibility criteria. Of those attending college on a full-time basis directly upon graduation from high school, TRIO-eligible students were 25% more likely to attend a two-year institution and 33% less likely to attend a private four-year institution than higher income students. While the NLS study suggests that retention rates for TRIO-eligible students are not significantly different than for non-eligible students at the same category of institution, because of the differences in enrollment patterns of lower income students, six years after high school graduation, 24% of the higher income students had attained a baccalaureate degree while only 9% of TRIO eligible students had graduated with a baccalaureate.

### Administration Request

As you know, this year the Administration has requested an additional 27.9 million dollars for the TRIO programs, an 11.5% increase. Mr. Cavazos has also indicated in responding to questions addressed to him by this Subcommittee, that if funding were available he would add an additional $100 million to his TRIO request. The Department's budget request notes that, "by encouraging high performance and program completion, TRIO programs help make the Department's student financial aid investment more cost-effective."

In addition to requesting an additional one million dollars for further evaluations of the TRIO programs, the Department's request seeks funding for three special initiatives:

--a Talent Search early identification initiative which brings to low-income junior high school students and their parents information about college opportunities;

--regional magnet projects aimed at enhancing the rigor of mathematics and science instruction in Upward Bound and increasing the numbers of Upward Bound students prepared to pursue undergraduate degrees in these disciplines; and

--special efforts under the Student Support Services program designed to increase the number of low-income and minority students transferring from two year to four year institutions.

The NCEOA applauds each of these initiatives but also believes that, based on their record of success, it is critical to extend services to a larger percentage of the eligible population. Today, fewer than 5% of those eligible for TRIO programs are served. At North Adams State, for example, over 68% of the students enrolled are either from low-income families or in the first-generation of their families to attend college. Many who need services cannot be served because of funding limitations.

Moreover, in the North Berkshire region of Massachusetts where we are located, 47% of the adults have not earned high school diplomas. Many young people in the area have need of information and support service if college is to be a realistic option for them. Increased funds in Talent Search and Upward Bound would enable my institution to better address their needs.

Given the large number of students not being served, the NCEOA is requesting that the TRIO appropriation be increased to allow a doubling of the number of students served by the TRIO programs. This would require $508.8 million in order to serve 1,004,000 disadvantaged youth and adults.

## TRIO Programs at North Adams State College Have Been Successful

Student Support Services funding at North Adams State complements institutional funds aimed at achieving diversity on our campus and assuring that low-income students recruited for the college have a realistic chance of completing their baccalaureate degrees. I am pleased to say that on-going evaluations of the program document its success--in fact 60% of Student Support Services students receive a baccalaureate degree from North Adams State within eight semesters compared with 54% of the entire undergraduate population.

Of the students served by Student Support Services at North Adams State, approximately half are students recruited by the college for our Individual Enrichment Program. IEP students--of whom 23.8% are from minority backgrounds--participate in an intensive, four-week pre-college summer program. Additionally, they receive special counseling and tutorial assistance throughout their enrollment. Our commitment to the program is demonstrable. Despite the serious financial constraints facing all publicly-funded higher educational institutions in Massachusetts, North Adams State provides both direct financial support for these instructional and counseling services and special grant assistance to TRIO students enrolled at the college.

## TRIO Programs are Successful in Addressing the Need

TRIO's record of success at my institution is not unique. Many members of this Subcommittee are familiar with TRIO's record in their own districts. You are also aware that a 1979 Research Triangle Institute of Upward Bound found that program graduates are four times as likely to graduate from college as similar students without the benefit of Upward Bound. A 1981 Systems Development Corporation study of Student Support Services found that college freshmen served by this TRIO program are more than twice as likely to complete their freshman year as similar students who did not receive supplemental counseling, tutoring and instructional services.

Moreover, TRIO reaches needy students throughout the country. While nationally, slightly over 500,000 million students are served, in Massachusetts, TRIO reaches 13,845 students in 31 projects located at twenty-four institutions.

If in fiscal 1991 we double the number of students served by the TRIO programs, we will take an important--and comparatively less costly--step in addressing an educational deficit which threatens our national competitiveness. Moreover, we do so with a set of programs which have a 25 year history of success.

I appreciate the opportunity to testify before you today and would be pleased to answer any questions you might have.

Mr. NATCHER. Dr. Tisinger, we want to thank you for your statement. Mr. Mitchum, we are glad to have you. Dr. Tisinger, when Mr. Conte and I started out on this subcommittee as chairman and ranking minority member along with Mr. Pursell and other members of the subcommittee, it used to take four or five days to pass this bill in the House.

We would go there and stay all week and have a bushel basket full of amendments, they all want to offer amendments on this bill and correct the bill. Since that time, we have taken this bill over and passed it one time in an hour and 53 minutes.

Everyone in that chamber has helped us. They know we work hard on this bill, and I want you to know that from the State of Massachusetts, Mr. Conte not only serves as the ranking minority member; he serves as the ranking minority member on all 13 of them, but this is the one that is next to his heart.

Tell your people that. We take this bill over there and everyone helps us. We are glad to have both of you.

Ms. TISINGER. Thank you. We appreciate your help.

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TUESDAY, MAY 1, 1990.

## CHAPTER 1/CHAPTER 2

### WITNESS

**PATRICIA HAMNER, WEST VIRGINIA STATE BOARD OF EDUCATION AND VICE PRESIDENT, NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION, ALEXANDRIA, VA**

Mr. NATCHER. Our next witness is Ms. Patricia Hamner, and we will be pleased to hear from you.

Ms. HAMNER. Chairman Natcher, distinguished members of the Administration, my name is Patricia Hamner. I am a member of the West Virginia State Board of Education, and I am the Vice President of the National Association of State Boards of Education, NASBE.

I am very pleased to have this opportunity to testify before the committee. Mr. Chairman, NASBE greatly appreciates your leadership and commitment to education and other programs that serve our Nation's children. We are most grateful that Federal education programs have benefited even during these austere times under your tenure on this subcommittee.

Our first priority is a substantial increase in funding for Chapter 1. Nationally, this highly effective program only served about half of the Nation's eligible children, and in West Virginia, only 17 percent of the eligible children are served. In West Virginia, the greatest benefit of the Chapter 1 is not only that children participating in the program improve their remedial skills, but the children's self-confidence is also greatly increased.

In essence, the improved self-image enhanced the child's ability to succeed in other areas of school, thus lessening the burden on teachers, school administrators and parents. We also place high priority on the Chapter 2 basic State grant program.

Few Members of the Congress appreciate how valuable this program is in helping States and local communities support innovative programs and helping States achieve overall improvements.

In my State, Chapter 2 funds are used by local school districts to maintain library media programs, to keep reference materials current, and to enable libraries to subscribe ~~to~~ periodicals and for staff development activities and special programs.

In West Virginia, which is suffering a deep recession, local education agencies are dependent on Chapter 2 funds. Existing State and local resources cannot replace the types of services provided through this essential program.

NASBE also recommends increased funds for early intervention programs, because while education programs are essential to the growth and development of our children, early intervention programs provide our children with other basic services that address their special needs.

We hope the subcommittee will reserve enough funding to fully support the pending child care initiative in fiscal year 1991. Comprehensive early childhood development programs have demonstrated extraordinary returns for young children and society, and quality child care reaps benefits many times over for children, parents and employers.

Further, we recommend that the subcommittee provide full funding for the comprehensive early childhood development centers and the Even Start literacy program.

West Virginia's two Even Start programs help parents become more effective partners in the education of their children. In a State such as mine, where there is a high level of functional illiteracy among adults, this type of intergenerational literacy effort is very effective in impeding the cycle of educational failure because the program teaches the parents to become full partners in their child's education.

We also recommend that the subcommittee provide a substantial increase in appropriations for the Head Start program. West Virginia's program provides comprehensive services to over 4,000 children. That includes complete medical screening and follow-up care, dental services, meals, and developmentally appropriate educational services.

Due to limited funds, we serve only 20 percent of the children eligible for services.

We hope that the subcommittee will provide enough funds so that a higher percentage of children can be served and so that the programs and teachers' salaries can be upgraded. NASBE would stress one priority, the funds for the assessment of education progress. Most of the widely used standardized tests do not accurately measure higher order thinking skills. It is important that our students can do more than just restate the facts that they have been taught.

Students must be able to think and analyze using the information that they do. Yet if we do not have an assessment tool to measure this type of critical thinking then our education system is impeded. NASBE is being further developed to assess this kind of learning.

I will close by saying there are many who point to the federal budget deficit and say that the Federal Government simply cannot afford to fund all these programs affecting children. The issue is not whether our nation can afford these programs but whether we choose to afford them. The very existence of our massive deficit is the result of fast choices regarding taxes and federal spending.

When we ask for increases for these programs, we understand that you and the entire Appropriations Committee are restrained by the federal deficit and the enormous amount of money paid towards the interest on the debt. We hope that Congress will find within itself, the political will to effect budget reform to more effectively reduce the deficit so that taxpayer dollars can be used for the host of urgent needs that face our nation. NASBE stands ready to work with you.

Thank you for this opportunity to testify.

Mr. NATCHER. Thank you very much. You have given us an excellent statement, Mrs. Hamner. We appreciate you and this other little lady attending.

Ms. HAMNER. This is Helen Fox, Government Coordination Affairs for NASBE.

Mr. NATCHER. We appreciate your coming.

[The statement of Patricia Full Hamner follows:]

# TESTIMONY ON FEDERAL APPROPRIATIONS FOR EDUCATION IN FISCAL YEAR 1991

BY

MRS. PATRICIA FULL HAMNER
WEST VIRGINIA STATE BOARD OF EDUCATION
VICE-PRESIDENT
THE NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION

BEFORE THE
HOUSE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES
EDUCATION, AND RELATED AGENCIES

TUESDAY, MAY 1, 1990
11:15 A.M.

CHAIRMAN NATCHER AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE: MY NAME IS PATRICIA HAMNER. I AM A MEMBER OF THE WEST VIRGINIA STATE BOARD OF EDUCATION AND I AM THE VICE PRESIDENT OF THE NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION, (NASBE). I AM VERY PLEASED TO HAVE THE OPPORTUNITY TO TESTIFY THIS MORNING BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES ON BEHALF OF STATE BOARD MEMBERS ACROSS THE COUNTRY.

MR. CHAIRMAN, WE AT NASBE DEEPLY APPRECIATE YOUR LEADERSHIP AND COMMITMENT TO EDUCATION AND OTHER PROGRAMS THAT SERVE OUR NATION'S CHILDREN. WE ARE COGNIZANT OF THE FACT THAT FEDERAL EDUCATION PROGRAMS HAVE BENEFITED, EVEN DURING THESE AUSTERE TIMES, UNDER YOUR TENURE OF THIS SUBCOMMITTEE.

OUR FIRST PRIORITY IS INCREASED FUNDING FOR CHAPTER 1. CHAPTER 1 WAS CREATED TWENTY FIVE YEARS AGO THROUGH THE HISTORIC ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 AND THIS YEAR, SCHOOLS ACROSS THE COUNTRY WILL PARTICIPATE IN A CELEBRATION OF THAT ACT. IT IS LAUDABLE TO THINK THAT LAWMAKERS KNEW EVEN 25 YEARS AGO, THAT DISADVANTAGED CHILDREN WOULD BENEFIT FROM ADDITIONAL REMEDIAL INSTRUCTION. BUT DESPITE THAT FACT, AFTER 25 YEARS THE PROGRAM ONLY SERVES ABOUT HALF OF THE NATION'S ELIGIBLE CHILDREN.

IN WEST VIRGINIA THE GREATEST BENEFIT OF THE CHAPTER 1 PROGRAM IS THAT IS HAS AFFECTED, IN A VERY POSITIVE WAY, THE SELF IMAGE OF THE CHILDREN WHO PARTICIPATE. IN ESSENCE, SUCCESS BREEDS SUCCESS AND THE CHILDREN WHO PARTICIPATE IN CHAPTER 1 GROW AS INDIVIDUALS AND BECOME BETTER STUDENTS. THE EFFECTIVENESS OF CHAPTER 1, NATIONALLY IS WELL DOCUMENTED. STUDIES CONDUCTED AT THE FEDERAL, STATE, AND LOCAL LEVEL SHOW THAT LOW-ACHIEVING

CHILDREN WHO PARTICIPATE IN CHAPTER 1 DO SIGNIFICANTLY BETTER ACADEMICALLY THAN SIMILAR CHILDREN WHO DO NOT PARTICIPATE. A RECENT REPORT DOCUMENTED THAT THOSE YOUNG ADULTS, WHO BY AGE 18 HAVE THE WEAKEST BASIC SKILLS, ARE MUCH MORE LIKELY TO DROP OUT OF SCHOOL AND BE JOBLESS IN SUBSEQUENT YEARS THAN THOSE WITH ABOVE-AVERAGE SKILLS.

STATE BOARD MEMBERS RECOMMEND THAT CONGRESS BEGIN PAYING FOR QUALITY EDUCATION ONCE, BY FULLY FUNDING PROGRAMS SUCH AS CHAPTER 1. WHAT HAPPENS INSTEAD IS THAT TAXPAYERS END UP PAYING FOR EDUCATION THREE TIMES -- FIRST THROUGH OUR PUBLIC SCHOOLS, THEN REMEDIAL EDUCATION PROGRAMS, AND FINALLY PUBLIC AND PRIVATE BASIC SKILL TRAINING PROGRAMS.

NASBE ALSO PLACES HIGH PRIORITY ON THE CHAPTER 2 BASIC STATE GRANT PROGRAM. FEW MEMBERS OF CONGRESS MAY APPRECIATE HOW VALUABLE THIS PROGRAM IS IN HELPING STATES AND LOCAL COMMUNITIES SUPPORT INNOVATIVE PROGRAMS AND IN HELPING STATES ACHIEVE OVERALL IMPROVEMENT IN THE NATION'S SCHOOLS. I AM AWARE THAT THE CHAPTER 2 PROGRAM DOES NOT HAVE SUPPORT FROM CONGRESS BECAUSE OF ITS FLEXIBLE USES AND A PERCEIVED LACK OF ACCOUNTABILITY.

IN THE STATE OF WEST VIRGINIA, WITH THE STATE'S CURRENT ECONOMIC PROBLEMS, LOCAL EDUCATION AGENCIES ARE DEPENDENT ON CHAPTER 2 FUNDS AS ONE OF THE FEW SOURCES OF FEDERAL DOLLARS THAT ARE NON-CATEGORICAL. LOCAL SCHOOL DISTRICTS THROUGHOUT MY STATE BENEFIT FROM THE PROGRAM BECAUSE IT ENABLES THEM TO USE DISCRETION AND FLEXIBILITY IN THE DESIGN AND IMPLEMENTATION OF THEIR PROGRAMS. MANY IN THE EDUCATION COMMUNITY WOULD SAY THAT THIS IS THE GREATEST ASSET OF CHAPTER 2.

MOST OF WEST VIRGINIA'S CHAPTER 2 FUNDS ARE USED BY LOCAL SCHOOL DISTRICTS TO MAINTAIN LIBRARY-MEDIA PROGRAMS, TO KEEP REFERENCE MATERIALS CURRENT, TO ENABLE LIBRARIES TO SUBSCRIBE TO CURRENT PERIODICALS, AND TO MAINTAIN OR REPLACE AUDIOVISUAL EQUIPMENT. FOR SOME SCHOOL LIBRARIES IN THE STATE, CHAPTER 2 IS THE ONLY SOURCE OF FUNDING AVAILABLE TO UPGRADE LIBRARY HOLDINGS. EVEN COUNTIES WHICH RECEIVE OTHER SOURCES OF LIBRARY FUNDING STILL NEED TO DEVOTE SOME CHAPTER 2 DOLLARS TO UPGRADE LIBRARIES.

WEST VIRGINIA ALSO USES CHAPTER 2 FUNDS FOR STAFF DEVELOPMENT, INCLUDING TRAINING ADMINISTRATORS, TEACHERS, AND AIDES IN THE UTILIZATION OF COMPUTERS IN INSTRUCTIONAL PROGRAMS.

THE THIRD MOST FREQUENT USE FOR CHAPTER 2 EXPENDITURES IS IN THE AREA OF MEETING THE NEEDS OF AT-RISK YOUTH. FUNDS ARE USED FOR DROPOUT PREVENTION AND INTERVENTION PROGRAMS AT THE ELEMENTARY AND SECONDARY LEVEL AND BASIC SKILLS PROGRAMS THAT PROVIDE ADDITIONAL SUPPORT TO CHAPTER 1 PROGRAMS.

I CANNOT STRESS STRONGLY ENOUGH THAT EDUCATIONAL INNOVATION AND IMPROVEMENT IS DEPENDENT UPON CONTINUED SUPPORT FOR THE CHAPTER 2 PROGRAM BECAUSE EXISTING LOCAL AND STATE RESOURCES CANNOT REPLACE THE TYPES OF SERVICES PROVIDED THROUGH CHAPTER 2. WEST VIRGINIA'S YOUTH AND ADULTS DEPEND UPON THE SERVICES PROVIDED BY THIS PROGRAM.

ALTHOUGH EDUCATION PROGRAMS ARE ESSENTIAL TO THE GROWTH AND DEVELOPMENT OF OUR CHILDREN AND TO THE WELL-BEING OF OUR SOCIETY, NASBE DOES NOT BELIEVE THAT IT IS WISE TO CHOOSE BETWEEN FUNDING FOR PROGRAMS THAT EDUCATE OUR CHILDREN AND THOSE WHICH PROVIDE OUR CHILDREN WITH OTHER BASIC SERVICES

ADDRESSING THEIR SPECIAL NEEDS. CONGRESS MUST MAKE A COMMITMENT TO THE WHOLE CHILD. NASBE BELIEVES THAT THERE IS NO ONE SINGLE PROGRAM OR METHOD THAT CAN SINGLE-HANDEDLY ADDRESS CHILDREN'S MULTIPLE EDUCATIONAL AND DEVELOPMENTAL NEEDS. THEREFORE OUR NEXT RECOMMENDATIONS ARE FOR SUPPORT OF A VARIETY OF EARLY INTERVENTION PROGRAMS.

WE HOPE THE SUBCOMMITTEE WILL RESERVE FUNDS IN ITS APPROPRIATIONS BILL FOR THE CHILD CARE INITIATIVE. THE HOUSE HAS SET ASIDE BUDGET AUTHORITY FOR CHILD CARE IN THE CONCURRENT BUDGET RESOLUTION AS IT SEEMS VERY LIKELY THAT CONGRESS WILL PASS A COMPREHENSIVE CHILD CARE BILL THIS YEAR. WE URGE YOUR COMMITTEE TO PROVIDE THE NECESSARY LEVEL OF FUNDING TO FULLY SUPPORT THE CHILD CARE INITIATIVE IN FISCAL YEAR 1991. COMPREHENSIVE EARLY CHILDHOOD DEVELOPMENT PROGRAMS HAVE DEMONSTRATED EXTRAORDINARY RETURNS FOR YOUNG CHILDREN AND SOCIETY, AND QUALITY CHILD CARE REAPS BENEFITS MANY TIMES OVER FOR CHILDREN, PARENTS, AND EMPLOYERS.

FURTHER, WE RECOMMEND THAT THE SUBCOMMITTEE PROVIDE FULL FUNDING FOR THE COMPREHENSIVE EARLY CHILDHOOD DEVELOPMENT CENTERS AUTHORIZED UNDER THE HAWKINS-STAFFORD AMENDMENTS OF 1988. THE PURPOSE OF THE CENTERS IS TO PROVIDE EARLY AND COMPREHENSIVE SERVICES TO DISADVANTAGED MOTHERS, INFANTS, AND TODDLERS. WHILE THIS IS A DEMONSTRATION PROJECT, THE EXPLORATORY WORK OF THESE FUNDED PROJECTS SHOW BENEFIT THE EDUCATIONAL COMMUNITY BY DEMONSTRATING THE MOST EFFECTIVE TYPES OF COMPREHENSIVE EARLY INTERVENTION EFFORTS. THESE TYPES OF COMPREHENSIVE PROGRAMS CAN REDUCE THE NUMBERS OF DROPOUTS, LOWER TEENAGE PREGNANCY RATES, AND DECREASE DEPENDENCY ON OUR WELFARE SYSTEM.

NASBE WOULD ALSO RECOMMEND THAT THE SUBCOMMITTEE PROVIDE ADEQUATE FUNDING FOR THE EVEN START LITERACY PROGRAM, ALSO CREATED AS PART OF THE HAWKINS-STAFFORD AMENDMENTS AND REAUTHORIZED IN THE SENATE'S LITERACY INITIATIVE. EVEN START INTEGRATES EARLY CHILDHOOD EDUCATION AND ADULT EDUCATION FOR PARENTS. WEST VIRGINIA'S TWO EVEN START PROGRAMS HELP PAY FOR THE OPERATION OF FAMILY-CENTERED EDUCATION PROGRAMS WHICH INVOLVE PARENTS AND CHILDREN IN A COOPERATIVE EFFORT TO HELP PARENTS BECOME FULL PARTNERS IN THE EDUCATION OF THEIR CHILDREN. IN A STATE SUCH AS WEST VIRGINIA WHERE THERE IS A HIGH LEVEL OF FUNCTIONALLY ILLITERATE ADULTS, THIS TYPE OF INTERGENERATIONAL LITERACY PROGRAM IS VERY EFFECTIVE. THE BENEFITS OF PARENTAL INVOLVEMENT IN THEIR CHILDREN'S EDUCATION IS ALSO WIDELY DOCUMENTED AND IS A VALUABLE COMPONENT OF THE HEAD START, EVEN START AND CHAPTER 1 PROGRAMS.

WE ALSO RECOMMEND THAT THE SUBCOMMITTEE PROVIDE A SUBSTANTIAL INCREASE IN APPROPRIATIONS FOR THE HEAD START PROGRAM SO THAT A HIGHER PERCENTAGE OF CHILDREN CAN BE SERVED AND SO THAT THE PROGRAMS AND TEACHER SALARIES CAN BE UPGRADED. NATIONALLY, THIS PROGRAM CURRENTLY SERVES LESS THAN 20 PERCENT OF ELIGIBLE CHILDREN. YET, THIS MUCH RECOGNIZED AND SPARINGLY FUNDED PROGRAM GIVES DISADVANTAGED CHILDREN THE PREPARATION THEY NEED TO SUCCEED IN THEIR TRADITIONAL SCHOOLING.

IN WEST VIRGINIA, THE PROGRAM IS ESTIMATED TO SERVE 20-25 PERCENT OF THE STATE'S ELIGIBLE 3 AND 4 YEAR-OLDS. WEST VIRGINIA'S HEAD START PROGRAM PROVIDES COMPREHENSIVE SERVICES TO CHILDREN THAT INCLUDE COMPLETE MEDICAL SCREENING AND FOLLOWUP CARE, DENTAL SERVICES, FOOD SERVICES, AND HIGHLY COMPETENT EDUCATIONS PROGRAMS APPROPRIATE FOR YOUNG CHILDREN. MOST OF THE BENEFITS OF HEAD START HAVE BEEN WRITTEN ABOUT EXTENSIVELY BUT A LESSER

DOCUMENTED BENEFIT IS THAT THROUGH THE PARENTAL INVOLVEMENT FACTORS, WE HELP PARENTS BECOME BETTER PARENTS TO THEIR CHILDREN.

NASBE WOULD STRESS ONE LAST FUNDING PRIORITY -- MORE FUNDS FOR EDUCATIONAL RESEARCH AND ASSESSMENT. WE RECOMMEND THAT THE SUBCOMMITTEE INCREASE FUNDING FOR THE NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS. NAEP IS WORKING TOWARDS THE DEVELOPMENT OF ASSESSMENT TECHNIQUES TO MEASURE THE OUTCOMES OF THE NATIONAL EDUCATIONAL GOALS ADOPTED BY THE PRESIDENT AND THE GOVERNORS.

SCHOOLS ARE BEING PRESSURED TO TEACH HIGHER ORDER THINKING SKILLS -- SUCH AS THE ABILITY TO ANALYZE, REASON, AND APPLY KNOWLEDGE IN CREATIVE, PROBLEM-SOLVING WAYS, YET THE STANDARDIZED TESTS WIDELY USED TO ASSESS THIS KNOWLEDGE NOT ONLY FAIL TO MEASURE THE KNOWLEDGE, BUT MAY ACTUALLY IMPEDE ITS DEVELOPMENT. MANY EDUCATORS BELIEVE THAT TEST OUTCOMES HAVE BECOME SO CRITICALLY IMPORTANT TO SCHOOLS AND ADMINISTRATORS WHOSE PERFORMANCES AND REPUTATIONS ARE RATED BY THE RANKINGS OF THEIR STUDENTS. AND CONSIDERING THE HIGH-STAKES NATURE OF TESTING, TEACHERS MAY BE ENCOURAGED TO TAILOR CURRICULUM TO THE CONTENT OF THOSE TESTS.

STATE BOARD MEMBERS WANT STUDENTS TO BE ABLE TO DO FAR MORE THAN JUST RESTATE FACTS THEY'VE BEEN TAUGHT. NASBE BELIEVES OUR GOAL MUST BE TO TEACH STUDENTS TO THINK AND TO ANALYZE USING THE INFORMATION THEY HAVE BEEN TAUGHT. WE ARE DOOMED TO FALL SHORT OF THIS GOAL IF WE ARE UNABLE TO MONITOR DEVELOPMENT AND MEASURE STUDENT MASTERY OF THE THINKING SKILLS WE SEEK TO IMPART.

MOREOVER, NASBE SUPPORTS INCREASED FUNDING FOR FEDERAL RESEARCH. OUR NATION'S ABILITY TO IMPROVE OUR EDUCATION SYSTEM MAY DEPEND ON THE INFORMATION FROM FEDERAL RESEARCH, STATISTICS AND ASSESSMENT.

WHILE NASBE BELIEVES THAT FULL FUNDING FOR EFFECTIVE EDUCATION PROGRAMS IS CRITICAL, WE WOULD BE LESS THAN CANDID IF WE DID NOT SAY THAT IN ADDITION, WE BELIEVE OUR ENTIRE SYSTEM OF PUBLIC EDUCATION MUST BE REVAMPED AS WELL. FEDERAL, STATE AND LOCAL GOVERNMENTS CAN PROVIDE THE BEST EDUCATION PROGRAMS IN THE WORLD TO OUR YOUNG PEOPLE AND IT WON'T MAKE A DIFFERENCE IF OUR CHILDREN ARE HUNGRY, SICK, ABUSED OR HOMELESS. OUR BEST TEACHERS ARE INEFFECTIVE IF THE BASIC NEEDS OF THE CHILDREN THEY ARE TRYING TO TEACH ARE NOT BEING MET OR IF THE SPECIAL PROBLEMS CONFRONTING OUR YOUTH ARE UNADDRESSED. SCHOOLS MUST ALSO ADDRESS THE NEEDS OF THE WHOLE CHILD.

I WILL CLOSE BY SAYING THERE ARE MANY WHO POINT TO THE FEDERAL BUDGET DEFICIT AND SAY THAT THE FEDERAL GOVERNMENT SIMPLY CANNOT AFFORD TO FUND ALL THESE PROGRAMS AFFECTING CHILDREN. THE ISSUE IS NOT WHETHER OUR NATION CAN AFFORD THESE PROGRAMS BUT WHETHER WE CHOOSE TO AFFORD THEM. THE VERY EXISTENCE OF OUR MASSIVE DEFICIT IS THE RESULT OF PAST CHOICES REGARDING TAXES AND FEDERAL SPENDING.

WHEN WE ASK FOR INCREASES FOR THESE PROGRAMS, WE UNDERSTAND THAT YOU AND THE ENTIRE APPROPRIATIONS COMMITTEE ARE RESTRAINED BY THE FEDERAL DEFICIT AND THE ENORMOUS AMOUNT OF MONEY PAID TOWARDS THE INTEREST ON THE DEBT. WE HOPE THAT CONGRESS WILL FIND WITHIN ITSELF, THE POLITICAL WILL TO EFFECT BUDGET REFORM TO MORE EFFECTIVELY REDUCE THE DEFICIT SO THAT TAXPAYER DOLLARS CAN BE USED FOR THE HOST OF URGENT NEEDS THAT FACE OUR NATION. NASBE STANDS

READY TO WORK WITH YOU.

THANK YOU AGAIN FOR THIS OPPORTUNITY TO TESTIFY.

TUESDAY, MAY 1, 1990.

# EDUCATION OF THE DEAF

## WITNESS

AL COUTHEN, PRINCIPAL, KENDALL ELEMENTARY SCHOOL, GALLUDET UNIVERSITY, REPRESENTING CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF, TESTIFYING ON BEHALF OF CLAIRE BUGEN, PRESIDENT, CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

Mr. NATCHER. Our next witness is Al Couthen. We are delighted to have you gentlemen before the committee.

Mr. COUTHEN. My name is Al Couthen. I am representing the Convention of American Instructors of the Deaf.

I will be testifying for Ms. Claire Bugen, President of the Convention of American Instructors of the Deaf.

The Convention of American Instructors of the Deaf, CAID, is the oldest professional organization in the United States for teachers, administrators, educational interpreters, residential personnel and other professionals involved in the education of the deaf.

One of the major missions of our organization is to support promising and/or successful educational practices and to examine current issues facing education of the deaf.

This morning I want to encourage increased funding for state operated or state-supported schools whose responsibility it is to satisfy special educational needs of deaf students. The Administration recommends no increase in fiscal year 1991. This is not acceptable to us. The vast majority of these programs are not eligible for P.L. 94-142 monies. Chapter I and P.L. 89-313 funds are essential for center schools to serve the diverse and complex population of students currently in attendance. This population of students with additional handicaps places several financial constraints on the provision of quality services. Diverse programming is expensive. Special needs students also demand complex instructionally related services, additional staff development training, parent education, specialized early intervention, and expensive technological innovations as well.

Mr. Chairman and members of the subcommittee, the Convention of American Instructors of the Deaf is strongly supportive of the goals of P.L. 89-313 funds. We recommend $170,000,000 in appropriations for fiscal year 1991, not $146,000,000. This increase would provide the necessary resources to meet deaf students' unique communication and learning needs.

The increased funding for the second issue we want to endorse is the National Institute on Deafness and Other Communication Disorders which was created by Congress in 1988, P.L. 100-553. The activities of the institute include: investigation of causes; treatment and prevention of hearing and other communication disorders; research on technology and devices used in the rehabilitation of these disorders; and research on environmental agents that influence communication processes.

The professionals in education of the deaf that CAID represents are dependent on research particularly in the areas of speech, language and audiology to serve their students.

The President's budget requests a 4.5 percent increase in NIDCD funding over last year's post-sequester level, which is only a 3.2 percent increase over the fiscal year 1990 level approved by Congress. The level requested by the Administration is insufficient to continue much of the institute's current research and would not allow the institute to generate those critical findings which become the exemplary programs and practices in schools across the nation. Deafness is a low incidence disability and a unique one in the field of special education. The CAID recommends $165,000,000 for the National Institute on Deafness and Other Communication Disorders in fiscal year 1991.

For us, the institute is a "think tank" providing data essential to CAID. We use this data for recommendations and decisions to improve educational services to deaf students. In addition, more than one in 10 Americans has a communication disorder, making this the most prevalent disability category in the United States. The NIDCD thus serves not only the deaf, represented here by CAID, but also 10 percent of the nation. This large segment of the population deserves your support and funding. On behalf of CAID, thank you for this opportunity to present our views on these important concerns.

Mr. NATCHER. Thank you very much, Mr. Couthen. You have given us an excellent statement. I want you to know that every consideration will be given to your request.

Mr. COUTHEN. Thank you.

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TUESDAY, MAY 1, 1990.

## ARTS EDUCATION

### WITNESS

### DAVID RHODES, CHAIRMAN, NATIONAL ASSEMBLY FOR VISUAL ARTS EDUCATION AND PRESIDENT, SCHOOL OF VISUAL ARTS

Mr. NATCHER. Our next witness is Mr. David Rhodes. We will be pleased to hear from you at this time.

Mr. RHODES. Thank you, Mr. Chairman, Mr. Pursell. I am David Rhodes, Chairman of the National Assembly for Visual Arts Education, a group founded by several college presidents to undertake the task of explaining how important arts education is to the nation.

I am also President of the School of Visual Arts, the nation's largest college of art and design.

I would like to call your attention today to the absence of arts programs in the fiscal 1991 budget as proposed by the Administration. There are two important areas that I would like to limit myself to: federal support for basic arts program in K through 12 curriculum and support for advanced research and study in the art and design disciplines.

While the budget pays lip service to the arts, actual art and design are not mentioned in letter or in spirit, on any of its 87 pages. This is an unfortunate national denial of opportunities and I think a dangerous oversight in planning America's educational future. The budget does specify several curricula areas with precision but the visual arts are completely ignored. For example, the language describing the $213,000,000 magnet schools program fails to include the visual arts, the core of some of the oldest and most successful magnet programs throughout the country. Around the country, art-based activities have proven especially effective in reaching children at risk and it is plain that art students and arts-based curricula can accomplish much more. But these proven arts programs, whether they are for gifted, self-selected students, or for those who have had no prior success in our schools, or, most important, for all our children, must have your endorsement.

Please understand that art in schools has little hope of generating significant local funding unless and until the Department of Education sets a new national example. Critical support from the department is required now to help put new art teachers in classrooms and to develop and bring important new initiatives to fruition. I hope the committee will consider this support in its budget deliberations. By way of example, the Federal Register of April 18, 1990, which contains guidelines for Title II Grants to Local Education Agencies does not mention the arts and more specifically the visual arts. Without some suggestions from you, I am afraid that the situation will not change.

Concerning support for graduate and advanced professional study, I would remind you that design is a crucial component of America's international competitiveness. As you know, most of the tapes and principles of 20th century design have come to us directly from one art school. The Bauhaus, of course, was not an American institution. We simply inherited many of the aesthetic and economic benefits when Hitler closed the school and the faculty fled here.

Such a design windfall will not reoccur. If the 21st century is going to be made in America, it must be designed in America. As a first stop toward this goal, I propose to you today the creation of the National Centers for Design & Technology: a select, coordinated group of laboratories located in independent colleges of art and design, equipped with advanced computer, video and telecommunications technologies, providing access, assistance, and research development to American artists and designers.

Seen in the context of the history of art, the history of computers in the arts is very short. For many years only scientists and engineers used computers and even today most artists have only limited knowledge of and access to the most powerful and sophisticated computing technologies. While designers are finding that computers are becoming essential to their daily work, few facilities currently exist to disseminate information and provide access and assistance to the art and design communities around the country, none associated with colleges of art and design.

Such colleges, with extensive historical, professional and personal ties to the arts communities, are perfectly positioned to enable American artists and designers to develop the arts and allied technologies of the next century. It is simply not possible to fully realize the enormous potential of expanding computer graphics technology—from complex CADD systems, to image generation and manipulation, storage and retrieval, to increasingly important scientific visualization—without the full and fully informed participation of our arts communities and institutions.

To this end I propose as part of the funds for innovation in education a three year pilot project establishing vie National Centers for Design & Technology, budgeted at $2,000,000 each annually, for a total of $30,000,000—only one-third of 1 percent of the DOE budget now under consideration—for a decentralized nationwide project producing such enormous and vital returns. The National Centers for Design and Technology will:

Provide, in five state-of-the-art design laboratories around the country, informed access to current and developing design and technologies, and all necessary support, to artists and designers, assisting them in the creation of the American visual vocabulary of the future, and the identification of the largest, most essential needs in the field;

Support research and development of new technologies, adaptive uses, and software packages to meet the needs thus identified.

Collaborations between art and technology have occurred throughout history, but few eras have provided such strong motivation for this cross fertilization as the present. Computers and allied technologies not only provide unprecedented capabilities for artists, but designers and artists must provide unprecedented amounts of information for this technology, information accumulated and developed by the profession over centuries. It is this challenge—the challenge of our nation's future productivity and creativity, which grow together or do not grow at all that these National Centers of Design and Technology address directly. Since so much depends on it, I urge you to give this proposal your most careful attention, and I offer our resources to further the discussion.

Thank you.

Mr. NATCHER. Thank you, Mr. Rhodes. You have given us an excellent statement. We appreciate your appearance at this time.

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TUESDAY, MAY 1, 1990.

## GRADUATE EDUCATION

### WITNESS

### CLAUDIA MITCHELL-KERMAN, DEAN, GRADUATE DIVISION AND VICE CHANCELLOR OF GRADUATE PROGRAMS AT THE UNIVERSITY OF CALIFORNIA, LOS ANGELES

Mr. NATCHER. Our next witness is Claudia Mitchell-Kerman. We will be pleased to hear from you at this time.

Ms. MITCHELL-KERMAN. Good day. Mr. Chairman and members of the subcommittee I am Claudia Mitchell-Kerman, Dean and Vice Chancellor of Graduate Programs sat UCLA. I am here to testify on programs that support graduate education. I am representing the Association of American Universities, the Association of Graduate Schools, the Council of Graduate Schools and the National Association of State Universities and Land Grant Colleges.

Notwithstanding the complex issues that affect all our nation's schools, I would like to begin by emphasizing that graduate education has a significant place in our infrastructure. Not only does graduate education have a unique and shared mission, it plays a supporting role for all other levels of education. Viewed by some members graduate education in this country is a robust component of our educational system. Significant problems ahead are already on the horizon.

The quality of students attracted to our nation's graduate programs continues to remain exceptionally high. The fact that so many foreign students continue to attend American universities, I think, is further evidence to the quality of those programs. Yet these very same signs of health when viewed from a slightly different perspective cast a very different light on the condition of graduate education in this country.

We are attracting some of the brightest college graduates into our graduate programs but far fewer than will be needed to meet future demands. The talented foreign students who enroll in our graduate programs have offset the steadily declining portion of U.S. citizens earning doctorates. We should be forewarned that few of these students will remain in this country as their own countries increase their need to highly educated personnel and increase their capacity to support them.

The growing shortages of individuals with advanced graduate training is a result of education practices, cultural practices and socio-economic constraints which has narrowed the flow of talented youth through the educational pipeline. Missing too often from students enrolling in our graduate programs are blacks, Hispanics, American Indians and women, particularly in the sciences.

When such a large and rapidly growing portion of our population is estranged from graduate education, our ability to meet and recruit the talent needed to meet expanding demands is severely compromised. A clear and profoundly disturbing picture is emerging of this nation's capacity to produce the Ph.D.'s that will be needed to teach the next generation of college students, to teach our students and carry out scholarship essential to international competitiveness and enrich the spiritual quality of the lives of our citizens.

This nation will confront a serious shortage of Ph.D.'s under current trends. It is already here in certain fields. It will strike virtually all fields and all Ph.D. markets, industry, government as well as academia before the turn of the century. Demands will increase due to projected and essential growth in the nation's research and development enterprise. Faculty replacements are needed for an aging professorate and enrollment in higher education are other parts of the demands picture.

Supply, however, shows no prospect of corresponding increases. The proportion of Ph.D.'s earned by U.S. citizens has been declining for more than two decades. When you think of the essential role of doctoral recipients in science and technology, in biomedical research, in teaching our students, in applying the lessons of the past to present problems and encouraging the creativity of our citizens, it becomes clear that a shortage of the breadth and magnitude projected cannot be permitted to occur.

What can be done to reduce the projected shortages? I wish to be clear that I believe it is a shared responsibility of universities and government to act. There is little universities can do to increase financial incentives to pursue graduate study. Over the last 20 years as the Federal Government has decreased its support for graduate education, universities have responded by increasing their support.

We can also, I think, take a look at our institutional policies governing doctoral programs and see what can be done to increase retention rates, shorten the time it takes to earn a Ph.D., recruit under represented minorities and women and make other kinds of program improvements and we are doing so.

The Federal Government has a central role to play as well. We believe that the Federal Government has pulled back too far from doctoral support. The programs administered by the Department of Education address a number of the critical needs. The minority undergraduate summer internship program and Harris graduate fellowships have encouraged greater but still minor participation by minorities and women.

We have the program for science and engineering Ph.D. The Javits program is the only program focused on the humanities and the arts. I want to emphasize the importance of funding for the Javits program. While it is understandable that the government wants and needs more graduates in mathematics and science, neglect of the social sciences and humanities and arts will reflect our ability to meet the challenges of the future.

I also want to emphasize the importance of funding for the department's international studies programs. The events in Europe, Latin America and elsewhere around the world argue cogently for the need to strengthen our capability in foreign languages and international studies.

Mr. Chairman, we believe the funding request detailed in our written testimony will effectively address the need to increase support for doctoral education and reduce the magnitude of the impending Ph.D. shortage.

The university is determined to do its part to respond to this crisis. Together we can bring supply and demand back into balance and provide the human resources we will need to meet the challenges ahead.

I thank you very much for this opportunity to testify.

Mr. **NATCHER**. Thank you very much. You have given us an excellent statement.

In the beginning of our hearings with outside witnesses, we said to those in the room at that time, we appreciate all of you ladies and gentlemen appearing before our subcommittee, we need all the help we can get on this bill. A lot of you, a great many of you have traveled thousands of miles to come for five or 10 minutes. I want you to know we appreciate it.

Ms. **MITCHELL-KERMAN**. Thank you very much.

[The statement of Claudia Mitchell-Kerman follows:]

# WRITTEN STATEMENT

SUBMITTED FOR THE RECORD

ON BEHALF OF THE

ASSOCIATION OF AMERICAN UNIVERSITIES
ASSOCIATION OF GRADUATE SCHOOLS
COUNCIL OF GRADUATE SCHOOLS
NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

FOR THE

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

OF THE

COMMITTEE ON APPROPRIATIONS

IN THE

U.S. HOUSE OF REPRESENTATIVES

CONCERNING THE

FY 1991 APPROPRIATIONS FOR THE DEPARTMENT OF EDUCATION

*May 1, 1990*

Supply and demand are moving in different directions in graduate education. Under current trends, the United States will soon be confronted with a shortage of Ph.D.s that will affect all fields and all graduate education markets–industry, government, and colleges and universities. Prompt action must be taken by all practitioners and patrons of graduate education to reduce the shortage. The Department of Education has a key role to play in that effort.

Among the factors driving the divergence of supply and demand in graduate education are the two-decade decline in the proportion of U.S. citizens earning Ph.D.s; the continued underrepresentation of minorities and women; the sharp increase in demand for new faculty, particularly in the humanities and social sciences; and the increased demand for natural science and engineering Ph.D.s in government and industrial sectors as well as the academic sector. Fellowships and traineeships are a *proven* means to attract talented students into graduate programs, increase retention rates, and reduce time-to-degree. They can play an effective role in a national effort to increase the supply of Ph.D.s to meet the growing demand. The Department of Education currently administers several important programs directed at critical populations and fields.

The Department also administers the major federal program supporting research and graduate training in international studies, providing the knowledge and personnel essential to our capacity to understand and compete in a world that is changing at an extraordinary rate. In addition, the Department provides important support for research libraries, which are the nation's shared information resource centers supporting research and graduate education in all disciplines.

Appropriations for the following Department of Education programs will play an important role in the effort to prevent a costly divergence of supply and demand in U.S. doctorates:

### FY 1991 APPROPRIATIONS REQUEST

| | | FY 1990 | FY 1991 Administration Request | FY 1991 Higher Education Request |
|---|---|---|---|---|
| Minority Undergraduate Internships (Title IX-A) | | $ 3.5M | $ 6.1M | $ 6.1M |
| Harris Graduate Fellowships (Title IX-B) | | 16.0M | 17.8M | 22.0M |
| Harris Public Service Fellowships (Title IX-B) | | 3.3M | 1.2M | 3.3M |
| Javits Fellowships (Title IX-C) | | 7.9M | 5.4M | 9.4M |
| National Need Training Grants (Title IX-D) | | 15.8M | 25.5M | 25.5M |
| International Studies (Title VI), Fulbright-Hays | | 39.8M | 39.8M | 52.0M |
| Research Libraries | (Title II-B) | 0.709M | 0 | 2.0M |
| | (Title II-C) | 5.7M | 5.7M | 10.0M |
| | (Title II-D) | 3.6M | 0 | 5.0M |

### THE PROBLEM: THE CAUSES AND CONSEQUENCES OF THE PH.D. SHORTAGE

Graduate education produces the teachers, scientists, and scholars responsible for the discovery and dissemination of new knowledge, the preservation and interpretation of our intellectual and cultural heritage, and an understanding of the broader multicultural environment of which we are a part.

- The U.S. invested $132 billion in R&D in FY 1989. The nation's R&D enterprise is dependent on graduate education to provide essential personnel. Moreover, graduate students are a key ingredient of *current* research, providing much of the creativity and productivity of U.S. academic research.

- More than thirteen million students attend U.S. colleges and universities. These institutions employ more than 700,000 faculty. Virtually all of these faculty hold graduate degrees; two-thirds of the faculty at 4-year colleges and universities hold doctorates.

- The Ph.D. market extends far beyond academia. Over 70% of 1988 engineering Ph.D.s had employment commitments in nonacademic sectors–56% in industry, 16% in government and other nonacademic markets. Fifty percent of 1988 doctorate recipients in the physical sciences had commitments in industry, 14% in government and other nonacademic sectors. Across all fields, 50% of 1988 doctorate recipients had employment commitments outside academia.

The supply of new doctorates is falling progressively farther behind the growing demand. Absent countervailing interventions, demand will soon outstrip supply to such an extent that the resultant competition among colleges and universities, government, and industry will exact severe costs to the nation no matter who wins.

- The combination of faculty retirements with other avenues of departure will produce strong, sustained replacement demands over the next 25 years. Beginning in the mid-'90s, increased enrollments will be superimposed on replacement demand to increase sharply the need for new faculty.

- Over the next two decades, the demand for new Ph.D. positions in industry is projected to increase from 3,600 to 7,400. Yet, as with college faculty, a growing demand for new positions will be superimposed on a substantial replacement demand produced by an aging population of scientists and engineers. By 1987, over half of all doctoral scientists and engineers in industry were 45 years of age or older, compared to about two-fifths in 1977.

- Dramatic changes are occurring in the world at a pace that challenges our ability even to catalog them, let alone understand them; both our economic competitiveness and our national security will become increasingly dependent upon our capacity to use the languages of other nations and to understand their customs and cultures.

- In 1972, 85% of doctorates awarded by U.S. universities went to U.S. citizens; by 1988, that percentage had dropped to less than 75%. In the physical sciences, the percentage of U.S. citizens earning Ph.D.s dropped from 80% in 1972 to 65% in 1988; in engineering, the drop was from 67% to 46%. The decline in U.S. citizens earning Ph.D.s has been offset by an increase in foreign nationals receiving doctorates from U.S. universities. The infusion of talented students from other nations strengthens our graduate programs and enriches this country's intellectual resources. But it is unwise national policy to rely so heavily on imported talent and fail to develop our own intellectual resources.

- Non-Asian minorities and women remain severely underrepresented in doctoral education. In 1988, blacks earned 3.7% of Ph.D.s awarded to U.S. citizens, yet they make up 12% of the population. Hispanics, who make up 6.5% of the population, received 2.6% of Ph.D.s. Although the number of female doctorates increased substantially over the last decade to 35% of total Ph.D.s in 1988, less than 7% of engineering Ph.D.s and 16% of physical sciences Ph.D.s went to women.

- Current trends in all Ph.D. markets–academic, industrial, and government–will result in an average *annual* shortfall of up to 9,600 natural science and engineering Ph.D.s between 1995 and 2010. By the 1997-2002 time period, there will be only eight candidates for every ten faculty vacancies *across all arts and sciences disciplines*; in the humanities and social sciences, only seven candidates will be available for every ten faculty vacancies.

Thirty years ago, the baby boom generation was approaching college age, and the U.S. preeminence in science and technology was challenged by the 1957 launching of Sputnik. The federal government responded with sharply increased funding for graduate education and research. The response succeeded, increasing both the size and the quality of university research and graduate education programs.

Following that buildup, the federal government cut back sharply its support of graduate education. In 1969, the federal government funded 60,000 fellowships and traineeships; today it funds less than 13,000.

The increased number of Ph.D.s the nation will require should be entering graduate school now. Those students must be drawn from a shrinking pool of college graduates. Any market response will occur too late and will be limited and unbalanced. The funding requested for the programs listed above will provide the Department of Education with the resources to help meet the growing demand for students with graduate training.

### *Title IX, Graduate Education*

Two Title IX programs work in series to increase minority participation in graduate education. *Grants to Institutions to Encourage Minority Participation in Graduate Education*

*(Part A)* is a proven model for increasing the size of the undergraduate pool of minority students interested in and qualified for graduate study. *The Patricia Roberts Harris Graduate Fellowship Program (Part B)* is the largest federal program providing fellowship support for postbaccalaureate study to students from groups underrepresented in graduate and professional education.

The minority research internship program provides summer research internships and related education activities to talented minority *undergraduates*, to interest them in and prepare them for graduate study. The program has received its third year funding of $3.5 million in FY 1990. Because of the critical need to increase minority graduate enrollments, we strongly support the Administration's request to increase program funding to $6.1 million for FY 1991. This amount would permit the program to support an estimated 1,800 students, only slightly more than 2% of the roughly 80,000 college graduates per year from the targeted minority groups.

Currently funding approximately 1,000 graduate and professional students, the Harris graduate fellowship program has supported a significantly larger number of students in prior years, providing over 1,400 fellowships in FY 1986. For FY 1991, we request $22 million in order to restore this effective program to its FY 1986 funding level and expand opportunities for minorities and women to pursue postbaccalaureate study.

*The Patricia Roberts Harris Public Service Fellowship Program*, a separately appropriated program under Title IX-B, provides support for students pursuing graduate study in public service programs such as public administration, social work, and other social service programs. We ask that the program be continued at its current funding level of $3.3 million.

Following the elimination of the National Defense Education Act in the early 1970s, the federal government provided no fellowship support focused on graduate study in the arts and humanities until the Javits fellowship program was first funded in FY 1985. *The Jacob K. Javits Fellows Program (Part C)* remains the only federally funded program with an express purpose of encouraging graduate study in the arts and the humanities, and is one of few programs providing a small amount of support in the social sciences.

The Javits Fellows Program has demonstrated its effectiveness in encouraging some of the nation's most gifted college graduates to pursue graduate study. In addition to supporting continuing fellowships, the FY 1990 funding of $7.9 million will fund a new class of approximately 130 students, down from the 211 new fellowships awarded in FY 1988. We request $9.4 million for the Javits program for FY 1991 to support a new class of 200 students in addition to funding continuing fellows.

U.S. preeminence in science and technology is essential to the nation's competitive stature as we prepare to enter a new century. Yet we face the prospect of a serious shortage of scientists and engineers to carry out what must be an expanding R&D effort in industry, government, and universities. The Administration has responded to this imperative in its call to increase substantially the funding for *Graduate Assistance in Areas of National Need (Part D)*, from $15.8 million to $25.5 million. The National Need program is designed to increase the number of this country's talented college graduates who elect to pursue careers in teaching and research in critical fields.

The incremental funding for this program has steadily declined over its first three years of funding. The requested funding for FY 1991 would allow the program to support an estimated 1,700 new and continuing fellows over a broader range of fields than the current four fields of math, physics, chemistry, and engineering.

## *Title VI/Fulbright-Hays International Studies Programs*

The international studies programs of the Department of Education provide the talent and knowledge base needed by industry, by government, and by our citizens to operate effectively in a competitive global environment. The Department's international studies programs support 94 National Resource Centers (NRCs), the country's major national resources for advanced instruction in foreign languages and for the training of area studies specialists who are the nation's experts on the customs and cultures of the other countries of the world. The Department's international programs also include Foreign Language and Area Study Scholarships (FLAS), which support the graduate study of area studies specialists; dissertation and faculty research overseas as well as language training through group projects abroad; linkages between colleges and universities and businesses with overseas activities; the newly authorized International Business Centers providing graduate training both in language and area studies and in international business; and national language resource centers, which support research on language learning and the development of language pedagogy.

These international studies programs go to the heart of national imperatives for an internationally competitive economy, an informed foreign policy, and an internationally educated citizenry. Yet the support for some of the core programs has steadily eroded. Measured in FY 1990 dollars, FLAS fellowship funding has declined from $18.8 million in 1970 to $8.9 million in 1990; over the same period, funding for NRCs has declined from $17.4 million to $11.6 million.

Not only has funding for NRCs and FLAS fellowships declined in real terms, it has declined as a proportion of overall Title VI funding as well. Several valuable new programs have been added to Title VI, but overall funding has not increased concomitantly.

As a consequence, FLAS funding has declined from 62% of Title VI funding in 1970 to 27% in 1990; NRC funding has declined from 58% to 33%.

The provision of a $12 million increase in Title VI programs could provide the following critically needed increases in support:

- An increase of $7 million in funding for National Resource Centers would permit the average grant to increase from its current $123,000–less than 9% of the operating budgets of these centers–to $200,000.
- An increase of $3 million in funding for the FLAS fellowship program would permit an increase in stipends from $7,000 to $10,000, bringing these stipends up to the level of the Title IX graduate fellowship stipends.
- A $1 million increase in Fubright-Hays funding could expand support of dissertation and faculty research abroad, permitting students and scholars to better track and understand the profound changes that are rapidly unfolding in the world.
- The remaining $1 million could be used to initiate an important authorized but unfunded program, summer intensive study language programs, and strengthen other important Title VI programs.

### *Title II Research Library Programs*

Libraries are the essential central information resources for students and faculty on college and university campuses. They are becoming real resources also for expanding numbers of noncampus-based researchers, administrators, and individual citizens whose access to information has been enhanced by technological advances in information services and communication. Yet the cost to libraries of collecting, cataloging, storing, and disseminating information is rising while the resources to support those activities is diminishing.

Title II, Parts B, C, and D provide valuable resources for research libraries. Part B supports librarian training–focusing especially on attracting minority students into library schools. Grants through Parts C and D permit the nation's libraries to expand their collections of scholarly works, preserve those works that are threatened by deteriorating paper, facilitate access to unique collections through the acquisition of technological equipment supporting library resource sharing, and develop new techniques for expanding information services.

We request an FY 1991 appropriation for II-B of $2 million, $10 million for II-C, and $5 million for II-D. These are modest investments for functions that underpin virtually all academic research and education and support a growing array of nonacademic information-intensive activities.

TUESDAY, MAY 1, 1990.

## HIGHER EDUCATION

### WITNESS

### HOKE L. SMITH, PRESIDENT, TOWSON STATE UNIVERSITY

Mr. NATCHER. Our next witness is Hoke L. Smith. Come around. It is a pleasure to have you before the committee.

Mr. SMITH. Thank you, Mr. Chairman. I am Hoke Smith, President of Towson State University in Maryland. I did not have to come too many miles.

I am here representing 14 higher educational associations. We have a written statement which we are submitting. I will attempt to summarize.

I think I and my colleagues view this as basically an attempt to repair the infrastructure of student support which as successfully served us in this nation over the past years and which has become eroded by budgetary restraints and inflation.

As a personal note as an individual president, I would hate to speak for the multitude of my colleagues represented in this document and as a citizen of the city of Baltimore, as a college president I give a number of speeches about the current problems facing this nation including those of the young, teenage pregnancies, drugs, the range of things we must try to address and resolve.

As a citizen of Baltimore, I deal with many of the same issues in my volunteer efforts. I think one thing that troubles each of us and I have heard my colleagues get into spirited debate on this, how can we justify asking for additional funds for higher education given the range of social needs that we have seen here in this brief period of time I have been in the room and that we are concerned about. I think there are two answers that apply to higher education.

One is that most of the work force of this nation for the next 25 years is already in place. In a rapidly changing period we have the problem of continuing education and upgrading the education of those adults who only have a high school education. We estimate that approximately 50 percent of the people served by many of these pieces of legislation are basically in that category. Other efforts to upgrade our work force, although we can support them, will take many years.

In a way this is the way to get the most rapid return on our investment. But there is perhaps an even more important role that we play in dealing with the many problems which confront our nation. When I was teaching approximately 30 years ago at Hiram College in Ohio I had a young woman advisory who was graduating at the top of her class. She never thought about going on to college until one of her advisors asked her why don't you go to college. She got a scholarship and was able to go on.

I think we can under estimate the impact of the perceptions of the young on higher education availability. It influences motivation, retention and others. We have seen the success of many experimental models like the Lang model which guarantee financial accessibility for higher education to students who persist in schools.

We have seen models which guarantee employment and access to college for students who persist in schools.

I think we can justify the role of higher education and our request for repair of the damages that have been done to the support system for student access on these two grounds.

One it gives the most immediate return in upgrading our work force and, two, more importantly it supports the aspirations of American citizens of low and medium income where access to higher education can benefit their lives.

Unfortunately, as a continental nation we cannot depend upon state ability to fill these gaps. Those of us here on these shores are having a recession that has moved to other points in the country. We are dependent on this policy which you have supported so admirably. It has served us well. I believe this is behind our request.

Thank you.

Mr. Natcher. Thank you very much, Dr. Smith. We appreciate your appearance. You have given us an excellent statement. I want to thank you for appearing.

Mr. Smith. Thank you sir.

[The statement of Hoke L. Smith follows:]

# TESTIMONY

before the

SUBCOMMITTEE ON LABOR-HHS-EDUCATION

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

MAY 1, 1990

PRESENTED BY:

HOKE L. SMITH
PRESIDENT
TOWSON STATE UNIVERSITY
TOWSON, MARYLAND

On behalf of:

American Association of Community and Junior Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Catholic Colleges and Universities
Association of Jesuit Colleges and Universities
Association of Urban Universities
Council of Independent Colleges
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges
National Association of Student Financial Aid Administrators
United Negro College Fund

Mr. Chairman and Members of the Subcommittee:

On behalf of the American Council on Education and twelve other national associations representing all sectors of higher education, I am pleased to present recommendations on FY 91 funding for the higher education programs of the Education Department.

Before doing so, I would like to express our appreciation to the Subcommittee for its strong support of these programs over the years. I would also like to take this opportunity to respond to several concerns about the integrity of the student assistance programs you expressed last year in your report on the FY 90 appropriation bill, specifically, concerns about the high cost of guaranteed loan defaults, and the increasing number of independent students in the programs:

Loan defaults. Significant progress has been made in dealing with this problem over the past year. Regulations to reduce defaults have been implemented by the Education Department, as have reforms initiated by the authorizing committees through the Omnibus Reconciliation Act of 1989.

Reports from several states indicate that these legislative and regulatory improvements, together with tightened management by the state guarantee agencies, have substantially reduced borrowing by students with high default profiles. Both California and New York report dramatic declines in borrowing by high-risk students under the SLS program since January 1990. California is assembling an analytic report on the dimensions of this decline.

Preliminary data from New York indicate that loans guaranteed for students in short-term vocational programs under both the Stafford and SLS programs began to decline in July/August of 1989 below amounts in the same period of 1988. The amount of SLS loans guaranteed in New York declined from $12.8 million in August 1988 to $7.7 million in August 1989. and from $9.5 million in Febrary 1989 to $2.4 million in February 1990. New York anticipates such a significant reduction in default costs when students currently in school enter repayment that it has reduced its insurance premium from 1.75% to 1%.

Independent Students. We agree that the definition of independent student should be reviewed carefully in the reauthorization process, since two-thirds of all Pell Grant funds are now being awarded to these students. We would strongly support any changes which may be needed to correct abuse. However, on the basis of our consultation with the aid community, we do not believe that abuse is widespread. The most recent Education Department data on the dependency status of student aid recipients cover 1980 through 1987, and indicate that during this period the increase in independent students was clearly due to an increase in older students, not 18-20 year olds misrepresenting their status; the number of 18-20 year old Pell recipients dropped markedly. The growth in independent students was primarily in programs of two years or less; in four-year institutions independent recipients increased only slightly, while dependent recipients declined sharply. Whether this is a desirable trend should be reviewed by the authorizing committee during reauthorization.

The decline in Pell recipients attending four-year institutions, particularly young dependent recipients, is at least partially attributable to the failure of the maximum award to increase regularly since 1980: the Pell Grant formula will eliminate students from eligibility whose families make $20,000-$30,000 if the maximum is not increased regularly. To halt this erosion, it is necessary to increase the maximum award; at the same time it is important to increase funding substantially for the programs that primarily benefit dependent students: SEOG, CWS, and Perkins Loans.

In the light of these facts, we believe that the valid concerns expressed by the Subcommittee last year argue for a substantial increase in federal student grant aid for FY 91. This is our highest priority.

Further evidence of the need to expand grant assistance is presented in recent research by Thomas G. Mortenson of ACT. His study, The Impact of Increased Loan Utilization Among Low Family Income Students, directly links the declining percentage of low-income freshmen attending college to the lack of adequate federal grant resources.

Expanding access to postsecondary education is critical if the nation is to achieve its goals for equal opportunity and economic competitiveness. In recent years the percentage of high-ability, low-income high school graduates going on to college has dropped, as has the percentage of black and Hispanic high school graduates attending higher education.

Median family income has declined over the past decade, creating increased barriers to higher education for middle-income families as well as for the poor, particularly in light of decreased levels of federal assistance measured in constant dollars. It is estimated that 82 out of 100 American children live in families that require financial aid to attend the least costly type of collegiate institution, and more than 95 out of 100 require assistance to attend an independent institution. To provide such assistance, we recommend the following increases in the federal student aid programs:

Pell Grants. This program is the foundation of all federal need-based aid, and for many students the only form of assistance they receive. Over 10 percent of federally-aided students receive only a Pell award, and over 25 percent receive only a Pell Grant and a Stafford Loan. Over three million of the neediest students in postsecondary education are served by this program, and the only way they can obtain additional assistance is by increasing the maximum award.

The Pell Grant maximum has declined 16 percent in constant dollars since 1980. It has been $2,300 for the past two years, and if it does not increase in FY 91 it will have declined 19 percent in constant dollars.

To help restore the value of the award, it is urgent that the maximum be increased substantially. An increase to $2,700 would restore the value of the Pell Grant maximum to the 1980 level. An increase to $2,500 would restore its value to that of 1982. Using the Education Department's computer model, we estimate that a $2,700 maximum would cost $6.2 billion and a $2,500 maximum would cost $5.7 billion. These are large increases, but small in relation to losing individuals who otherwise would have participated in higher education.

SEOGs. Even a substantial increase in the Pell Grant maximum will not adequately relieve the need of many postsecondary students to finance their education with excessive borrowing. We therefore recommend that the appropriation for Supplemental Educational Opportunity Grants be doubled, from $459 million to $900 million. This program, which will require 15 percent institutional matching in FY 91, assigns priority to Pell Grant recipients and students with exceptional need. An increase to $900 million would provide awards for an additional 700,000 students, thereby reducing their need for loans. The SEOG program is also important because it greatly assists students in collegiate programs.

SSIG. We also recommend an additional $41 million for State Student Incentive Grants, which serve approximately 300,000 students and require 50 percent matching funds from the states. This program provides an important incentive for need-based state grants and work-study programs; in nine states the federal contribution represents half of the total state program. Funding of $100 million would provide grants for an additional 140,000 students.

CWS. We recommend that the College Work-Study appropriation be increased from $602 million to $760 million to enable needy undergraduate and graduate students to cover a substantial portion of their need through work rather than debt. This program leverages 30 percent institutional matching funds; an increase to $760 million would provide awards for an additional 250,000 students.

Perkins Loans. We support an increase in new federal capital for the Perkins loan program from $135 million to $185 million to help maintain the value of the institutions' revolving funds in this important program for exceptionally needy undergraduate and graduate students. This would restore the program to its FY 89 level, and provide assistance for an additional 50,000 students. Institutions provide these loans directly to high-risk students, including small loans which commercial lenders do not make, with better counselling when the loan is originated and when the borrower enters repayment.

TRIO. The six Special Programs for Students from Disadvantaged Backgrounds are vital aspects of the strategy for expanding postsecondary opportunities. They identify qualified students from low-income families and help them to become first-generation college students by providing information, counseling, tutoring, and support to prepare for college and stay in college after they get there. The program only serves about 10 percent of the eligible population. We support a major expansion of TRIO services from $242 million to $509 million, which would double the number of students served from 502,000 to 1,004,000.

Graduate Fellowships. We recommend an increase of $20 million for Title IX graduate programs as necessary to meet the sharply increased demand for

Ph.D.s. Specifically, we seek a $6 million increase for Part B graduate fellowships to restore the program to its prior level of 1400 new and continuing fellowships, and a $1.5 million increase in Javits Fellowships to provide for a new class of 200 in addition to continuing awards. We also support the increases requested by the Administration for National Need Training Grants and for Minority Undergraduate Internships.

In addition to increases in student assistance programs, we recommend increases in two other priority programs:

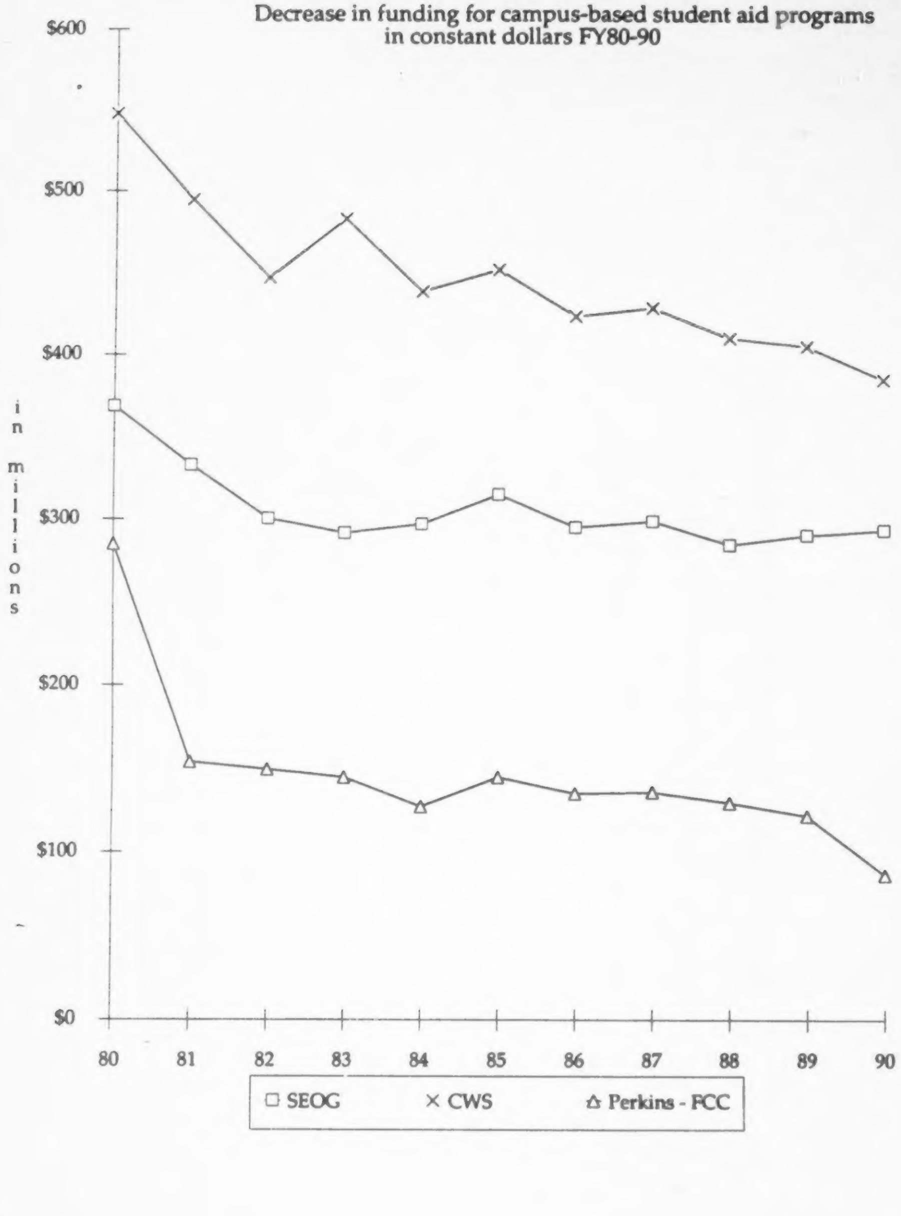
Developing Institutions. Title III of the Higher Education Act addresses the specific developmental and endowment needs of historically Black colleges and universities and other institutions with large concentrations of minority and low-income students. Additional funding is particularly important if the educational system is to prepare adequate numbers of minority youth for careers in the sciences, teaching, and other professions. We recommend a $50 million increase for this important program.

International Studies: We recommend a $10 million increase in Title VI international studies programs, primarily to increase stipends for foreign language and area studies and funding of National Resource Centers.

We recommend continuation of borrowing authority for College Housing and Academic Facilities Loans, and broader use of the Title VII authority for grants to address the growing needs for renovation of academic facilities.

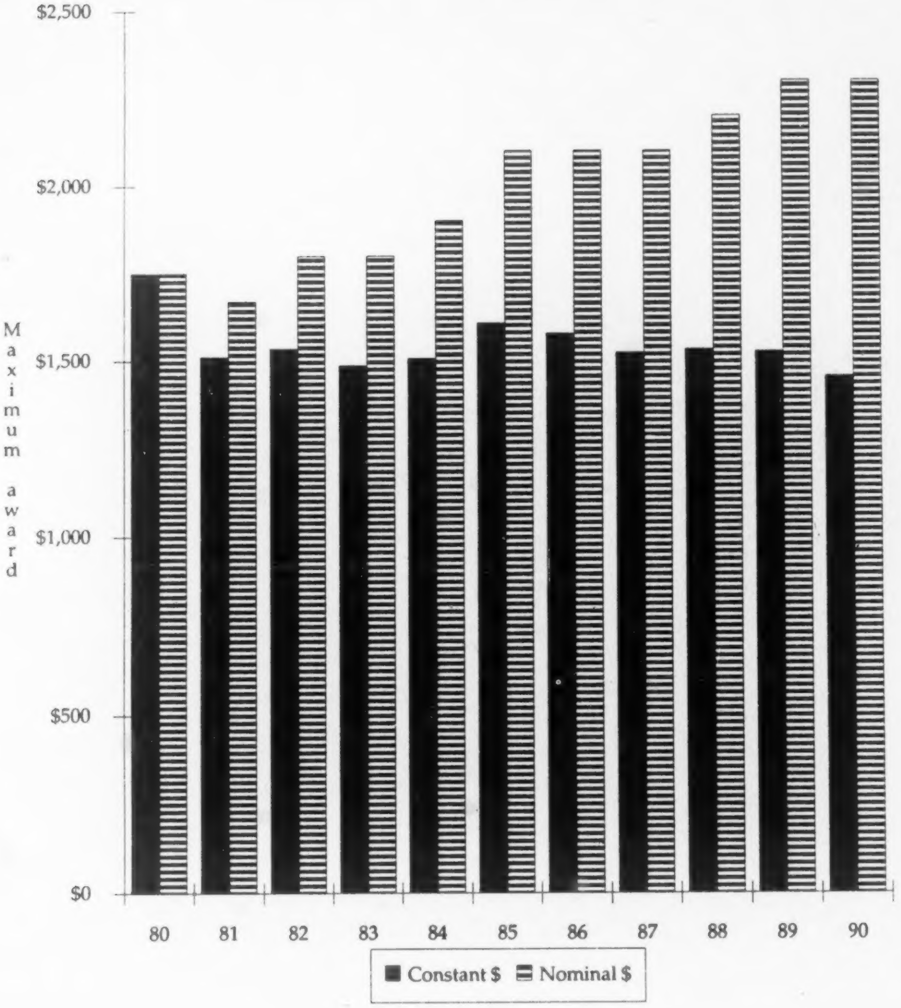
Finally, we urge the Subcommittee to make a careful review of the adequacy of the Department's Salaries and Expenses budget, and to issue specific guidance regarding the allocation of funds for this account. We believe that the functions for certifying institutional eligibility and performing program reviews need substantial improvement to avoid program fraud and abuse and waste of federal funds. Severe problems of understaffing exist in a number of categorical programs, such as graduate education and international studies; sufficient administrative support is a prerequisite for effective management of these programs.

Further, we ask the Subcommittee to direct the Department to resume publication and distribution of its annual Student Aid Guide. We strongly oppose the Department's decision for budgetary reasons to terminate the Guide this year. We consider it an outrage that this outstanding and effective publication was replaced with a minimal fact sheet which is much harder to read and contains less information regarding the programs and loan counselling, as the only means of informing needy students and their families about the aid available through federal programs.



Decrease in funding for campus-based student aid programs in constant dollars FY80-90

Comparison of the increase in the Pell Grant maximum award in nominal dollars and decrease in constant dollars FY80-90



TUESDAY, MAY 1, 1990.

## EDUCATION PROGRAMS

### WITNESS

### GERALD MORRIS, DEPUTY DIRECTOR OF LEGISLATION, AMERICAN FEDERATION OF TEACHERS

Mr. NATCHER. Our next witness is Gerry Morris. We will be pleased to hear from you.

Mr. MORRIS. Thank you.

You have our statement for the record for the American Federation of Teachers. I would like to summarize and make a few comments up front. First I want to say on behalf of the AFT we would like to express our appreciation for your commitment and this committee's commitment to education and your steadfast support of education over the last years particularly the last decade in troubled, difficult times. This committee was always out in front leveraging the White House and the Senate up in the investment in education. With reference to last year's bill which we though was a good bill as you always promise it will be, I would like to mention our appreciation of the increase in Chapter 1 in addition to a generous overall increase in education funds.

I would also like to mention several smaller, but nonetheless important programs, the funding for the National Board for Professional Teaching Standards, the funding for educational assessment and statistics within OVRI. I was pleased to hear the state boards a minute ago talk about the importance of the National Assessment Week. We echo that.

Also the start up funds for disadvantaged nursing students. I won't go into detail here. I know we are running late. I would like to say that from the AFT perspective our first priority is an inflationary adjustment for all the education programs. Beyond that we would like to see the continued expansion for Chapter 1. We think that is the top priority. Concentration grants and even Start, secondary basic skills all part of that related to it, really put the money where it is needed.

Handicapped education is sorely in need of investment. Vocational education which is now in the process of authorizing could stand some investment, particularly if Tech-Prep or Two-Plus-Two program is written, when they go to conference will eligible for funding in 1991.

We think that is an important part of the new legislation. It addresses the principal problems within voc-ed, that is the linkages within voc-ed and with voc-ed and other programs. At the higher education level we support Pell Grants, a program that is in some ways very analogous to Chapter 1.

We make reference to the Administration's proposals on Perkins loans, state student incentive grants and the library programs which we think, contrary to their proposals, are deserving of continued funding at an improved level.

Also the Christa McAuliffe fellowships, the Paul Douglas scholarships, special assistance to the Virgin Islands. As you know they suffered a tremendous blow as a result of the hurricane.

Coming back to education research and the national assessment and data gathering which we think is so important to the reform movement that is going on across the country, it is so important to have valid and comprehensive information about what is happening in order to guide this reform movement. I mention again the relative new title, the National Nurse Education Opportunities for Individuals from Disadvantaged Backgrounds. We think that concentrates the money where the nursing shortage is most acute and reaches in to those populations where nursing is under represented and can make a strong contribution to it.

Thank you for this opportunity to be here. If we can be of additional help, please let us do something.

Mr. NATCHER. Thank you, Mr. Morris. We appreciate your statement.

[The statement of Gerald Morris follows:]

# TESTIMONY OF GERALD MORRIS

# DEPUTY DIRECTOR OF LEGISLATION

# AMERICAN FEDERATION OF TEACHERS

Mr. Chairman and Members of the Subcommittee, on behalf of the American Federation of Teachers I would like to express our appreciation for this opportunity to testify on education appropriations for Fiscal Year 1991. I must also express our great appreciation for this committee's steadfast support of education, particularly during the difficult times of the proceeding decade. If one looks back over the record of the last ten years, or so, one will find this committee was usually some distance out in front, leveraging the White House and the Senate toward stronger support for educational programs and services.

With respect to last year's action on appropriations, I must mention our appreciation for the very large increase in the Chapter One program -- in addition to a generous, overall increase of education funds. I would also like to mention the new or additional funding for several of the comparatively small, but important, items in last year's bill. I refer to the National Board for Professional Teaching Standards; the educational assessment and statistics activities within O.E.R.I.; and the new scholarships for disadvantaged, undergraduate nursing students.

Mr. Chairman, a key purpose of the federal government's activities within the field of education is to help establish, or to strengthen, a continuous ladder of educational opportunity, early childhood through postgraduate level, for all Americans. Equal opportunity is what this country is supposed to be about. Furthermore, providing all citizens an opportunity to improve themselves is a necessary component of sustained economic development, continued progress to a higher standard of living, and maintenance of a reasonable measure of national security. Not to provide such opportunity is to incur, down the road, compounded social and economic costs.

Federal programs contribute to education in a number of areas, four of which come to mind. In each of these areas need for the commitment of federal resources has grown. The first area is the responsibility assumed by the federal government for populations with special needs, such as disadvantaged students and handicapped students. The number of individuals in poverty, particularly children, has increased dramatically in recent years. So, too, has the number of children with needs for special education. Recent reports about the epidemic of "crack babies" is especially alarming and portends enormous challenges to education. Another area of federal concern is that of problems affecting the nation as a whole. Foremost is the fact that the United States is confronting greater economic competition from abroad, even as military tensions decrease, and the U.S. faces critical shortages such as the availability of skilled labor, scientists, and technicians. This points to the rising need to invest in education and training, and not to forego the productivity of a large part of the younger generation. The federal government also plays a significant role in the areas of educational assessment and data collection and in the sponsorship of pilot or demonstration programs. These activities, which involve distilling and sharing information, are particularly valuable in light of the effort being made in many states to reform and restructure education. As this effort continues to spread, and one can only hope that it will, the demand for such information will increase.

Unfortunately, the Administration's budget for education in FY 1991 falls short of the demonstrated need for increased investment. I will not comment here on the President's proposals for new initiatives in education, as the A.F.T. has already testified before the appropriate House and Senate authorizing committees. However, with respect to the Administration's bottom line for education, it clearly is inadequate. I believe it was Representative Pat Williams who noted the irony that a proposed two percent increase in defense was viewed by the Administration as a sacrifice, whereas a proposed two percent increase in education was viewed as a substantial investment. A.F.T. must urge you to, out of hand, reject the proposals to eliminate additional funding in FY 1991 for programs such as Perkins Loans, Public Libraries, and State Student Incentive Grants. These programs provide flexibility and resources which are essential to meaningful educational opportunity.

With respect to education appropriations for FY 1991, A.F.T. would like to suggest, as a starting point, an inflation adjustment for all education programs. Such an adjustment is necessary to maintain the purchasing power, or level of services in these programs. Each of these programs reinforces some portion of the ladder of educational opportunity.

In addition to an inflation adjustment for all programs, A.F.T. recommends significant funding increases in a number of specific areas. Foremost is the need for additional investment in the Chapter One program. The great boost your committee gave to Chapter One for FY 1990 was very important, and continued progress toward ultimately serving all eligible children is most desirable. Concentration Grants are very effective in directing funds to the areas of greatest need. Even Start and Secondary Basic Skills, a related program, contribute to success by starting earlier, involving parents more thoroughly, and continuing special services at the secondary level. Altogether, Chapter One is widely regarded as an effective, well targeted program.

The Education of the Handicapped, State and Local Grant Program, also should be accorded a major increase in funding. Federal support of this program is well below the original commitment of forty percent of excess costs, and the resulting deficiency produces an excessive burden on local school systems. Vocational Education is now in the process of reauthorization and, should that process be completed in time to reflect upon FY 1991 funding, the A.F.T. believes it should receive a significant increase. Particularly, if the Tech-Prep portion of the program is written as a separate authorization, that portion should receive priority in funding. Tech-Prep, as one example of the emphasis upon establishing strong links within vocational education, and with other programs and services, addresses what A.F.T. believes is the primary weakness of vocational education. Impact Aid continues to be an important program for relieving the burdens imposed by federal lands located within school districts. A.F.T. recommends generous funding of this program.

At the higher education level, Pell Grants are still the basic and most important program for providing educational opportunity to disadvantaged students. Unfortunately, the purchasing power of Pell Grants has seriously eroded over the last decade. Therefore, A.F.T. recommends a significant increase in funding. I have already mentioned the A.F.T.'s objection to the Administration proposals on Perkins Loans, and S.S.I.G., as well as the Library Programs.

The Christa McAuliffe Fellowship Program provides recognition and creative opportunities to a number of outstanding teachers. These benefits, so necessary to motivating high performance, are unfortunately in short supply among the nation's teachers. The Paul Douglas Scholarships offer incentives to outstanding high school students to undertake training to become teachers. Special Assistance to the Virgin Islands will be particularly important during the FY 1991 funding cycle, as recovery from the devastation of the hurricane will be slow and difficult. Each of these programs is worthy of strong support.

As mentioned at the outset of my testimony, A.F.T. supports generous investment in educational research and data collection. Particularly the National Assessment and the Statistics functions within O.E.R.I. are of great value to the educational reform movement. It is obviously necessary to have comprehensive and valid information about educational performance in order to properly assess and direct reform efforts.

Finally, I would like to mention the provisions in the Nurse Education Act which provide opportunities for career ladders, inservice training, and for attracting and educating students from a disadvantaged background. Your committee graciously provided start-up funds for this program, a new program, last year. A.F.T. believes that Nursing Education Opportunities for Individuals from Disadvantaged Backgrounds and Scholarships for Undergraduate Education of Professional

Nurses are the nursing education programs best targeted upon the needs generated by the nurse shortage. Furthermore, they are addressed to those segments of the population who are most in need of educational opportunities and who are presently very under represented in nursing. A.F.T. hopes it will be possible to greatly expand these opportunities.

Mr. Chairman and Members of the Subcommittee, again on behalf of the American Federation of Teachers I want to thank you for your continuing support of education and for this opportunity to testify. If we may be of help to you in your good work, please let us do so.

TUESDAY, MAY 1, 1990.

## POSTSECONDARY EDUCATION

### WITNESS

### STEPHEN J. BLAIR, PRESIDENT, NATIONAL ASSOCIATION OF TRADE AND TECHNICAL SCHOOLS

Mr. NATCHER. The next witness is Stephen J. Blair.

Come around, Mr. Blair.

We would be pleased to hear from you at this time.

Mr. BLAIR. Thank you, Mr. Chairman and Mr. Purcell.

I have submitted my full testimony.

My name is Stephen Blair. I am President of the National Association of Trade and Technical Schools, which represents some 660,000 students attending 1,271 private postsecondary institutions. I am pleased to testify before you on Federal funding needs for postsecondary education.

Trade and technical schools produce half of our Nation's skilled, entry level workers, from the artisan who makes a Stradivarious sing again, to the technician who keeps our airplanes flying safely.

These schools are a major source of opportunity for millions of Americans who need technical education to meet the demands of a changing workplace.

It is estimated that during this decade, only 20 percent of all jobs will require a college degree. Seventy percent will require some level of education beyond high school.

Opportunities for critically needed education will be seriously diminished if Congress fails to reduce the brutal imbalance between loans and grants.

In 1980, grants constituted 40 percent of the typical aid package, with loans providing the remainder. Now, grants comprise only 29 percent of the typical aid package.

Coupled with other changes in student aid, people find it increasingly difficult to pay for postsecondary education.

We recommend the full funding of the Pell Education Opportunity Grant program, taking the maximum of $3,100, an additional $3 billion.

Some perceive the growing number of trade school students receiving financial aid as a threat to the student aid system, yet they fail to see it for what it really is—a reflection of the growing demand for career-specific education.

If I may, let me share three examples:

William Webb and John Gahlinger were long-time employees of International Harvester before it went out of business. They attended RETS Electronic Institute in Louisville, Kentucky, in 1986.

There they hoped to acquire new skills to get them back into the job market.

Upon graduation, both were hired by Dataserve Computer Services as customer service engineers for the Kentucky area.

Since then, both have been promoted to co-supervisors for the Kentucky/Southern Indiana/Tennessee districts.

Hector Martinez attended the Northeast Broadcasting School in order to fulfill his dream of becoming a radio announcer.

Soon after graduation, and with the assistance of the school's placement department, Mr. Martinez was selected as the play-by-play announcer for the first-ever Spanish language broadcasts of the Boston Red Sox baseball games.

These broadcasts are aired on five New England AM radio stations. A plaque with Mr. Martinez' name inscribed on it will be hung in the Baseball Hall of Fame in recognition of the historic significance of this effort.

Our graduates, like these, can adapt to new technology and have the solid background to advance in their fields. Contrary to popular myth, our students are not stuck in entry-level jobs.

Because our sector serves a significantly higher proportion of at-risk students than any other postsecondary sector, our default rates tend to be higher.

Nevertheless, NATTS schools have higher completion rates than other sectors, and we are continually striving to improve.

Three years ago, we launched a major default management initiative, and are currently conducting a second series of workshops which include an emphasis on "life skills."

As a result, trade schools posted the largest decrease in loan defaults compared to any other sector between fiscal year 1986 and fiscal year 1987, and we anticipate when the sector announcements are completed by the Department, similar declines will show for this year.

We are committed to ensuring public confidence in accreditation and accredited schools.

As such, we have introduced new reforms in areas of benefit testing refunds and requirements for the GED.

Further reform is being considered in the areas of branching and the prohibition of commissioned sales.

While NATTS is taking a strong stand to improve higher education in this great Nation, we are proposing new reforms to ensure the quality of postsecondary education.

We are successful at what we do, and no other postsecondary sector is more accountable or more committed to students than we are.

Trade and technical schools are making a critically important contribution to our Nation.

Last year, nearly two million students attended private career schools; 50 percent of all skilled entry-level employees received their technical education from a private career school.

Fifty-four percent of all diesel mechanics, 74 percent of all surgical technicians, and 49 percent of all electrical technicians were educated at career schools.

As you consider funding levels for student aid programs for fiscal year 1991, please remember the needs of the nontraditional students who will make up a larger percentage of the work force.

Thank you very much for your attention.

Mr. NATCHER. Thank you very much, Mr. Blair.

You have given us an excellent statement.

[The information follows:]

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NATTS

# TESTIMONY BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES

BY

STEPHEN J. BLAIR, PRESIDENT
NATIONAL ASSOCIATION OF TRADE AND TECHNICAL SCHOOLS

May 1, 1990
11:45 a.m.
Room 2358, Rayburn House Office Building

Mr. Chairman, Members of the Subcommittee: My name is Stephen Blair. As President of the National Association of Trade and Technical Schools, I represent 1271 private postsecondary institutions and the educational aspirations of 660,000 students who enroll in NATTS schools each year. I am pleased to have this opportunity to testify today on the federal funding needs for postsecondary education.

Trade and technical schools are the primary suppliers of skilled workers for American business and industry. Annually, they produce half the skilled, entry-level workers in our nation, from the artisan who makes a Stradivarius sing again, to the technician who keeps our airplanes flying safely. More importantly, trade and technical schools are a major source of career opportunities for millions of Americans who need technical education to meet the ever-changing demands of American business and industry for technically skilled workers.

This important sector of postsecondary education is proud of its work to help prepare America's technically skilled workers. However, that work will be seriously damaged if the Congress does not remedy funding losses incurred under the Gramm-Rudman sequestration in Fiscal Year 1990. Those cuts will eliminate Pell Grants for 14,000 needy students, and reduce grant awards for an additional 1.3 million of the neediest students for the 1990-91 academic year. President Bush does not support restoring the $67 million loss in Pell funding. Further, the President's budget proposal for Fiscal Year 1991 would bring additional cuts in real dollars for the 1991-92 academic award year. Current funding allows for only a $2300 maximum Pell grant, a decrease of 17 percent in constant dollars since 1980. The President does not propose increasing this amount.

In order to bring the Pell Grant maximum to its fully authorized level of $3100, as well as restore eligibility to less-than-half-time students and restore cuts from previous years, the Pell Grant program will need an additional $3 billion for Fiscal Year 1991.

Why should Congress ensure full Pell Grant funding? Every headline and blue ribbon panel says society must help all Americans become productive workers. The needs of the labor market will require that virtually every worker be skilled, but short-sighted cuts in Pell Grants make it more difficult for workers to get the technical education they need. More than ever, we need to bolster support for career-specific postsecondary education.

It is estimated that over the next decade, 70 percent of all jobs will require some form of technical education beyond high school. Only 20 percent of these jobs will require a traditional college degree. Only 50 percent of all high school graduates go on to college, and 42 percent of those students do not obtain a degree. However, federal, state, and local governments and private entities spend $45 billion a year subsidizing college students, yet barely $7 billion a year on postsecondary education for non-college bound youth.

Congress also must reduce the brutal imbalance between loans and grants that has forced our neediest students to rely upon loans to finance their postsecondary education. In 1980, grants constituted 40 percent of the typical aid package, with loans making up most of the remainder. Now, grants comprise only 29 percent of the typical package. Coupled with other changes in student aid, such as a cap on borrowing under the Stafford Student Loan program and restrictions on Supplemental Loans for Students (SLS), people are increasingly hard-pressed to pay for the education required for most good jobs now available. This also means the students who graduate from all postsecondary institutions embark on their career path carrying a crushing debt burden.

The growing percentage of trade and technical school students who benefit from financial aid should not be perceived as a threat to the student aid system, but as a reflection of the increasing demand for career-specific education. According to the Department of Education, the number of bachelor's degrees granted between 1972 and 1985 increased by 7.1 percent, while the number of associate degrees increased by 41 percent. This does not include the explosive growth in certificate programs. Pell Grants and the Guaranteed Student Loan programs help trade and technical school students, 54 percent of whom live independently from their parents, to obtain critically needed job skills.

Trade and technical schools are making a critically important contribution to our nation. Last year, nearly two million students attended private career schools. Approximately 50 percent of all skilled entry-level employees learned their skills at trade and technical schools. Seventy-four percent of all surgical technicians, 54 percent of all diesel mechanics, and 49 percent of all electrical technicians received their education at a private career school.

Let me tell you about some of our graduates, if I may.

William Webb and John Gahlinger, who were long time employees of International Harvester before they were laid off, attended RETS Electronic Institute in Louisville, Kentucky, in 1986. There they hoped to obtain the skills necessary to get them back into the job market. Upon graduation, both were hired by DataServe Computer Service as customer service engineers for the Kentucky area. Both have been promoted to co-supervisors for the Kentucky/Southern Indiana/Tennessee districts.

Hector Martinez attended the Northeast Broadcasting School in Massachusetts to fulfill his dream of becoming a radio announcer. Soon after graduation, and with the assistance of the school's placement department, Mr. Martinez was selected as the play-by-play announcer for the first-ever Spanish language broadcasts of the Boston Red Sox baseball games, which are aired on five New England AM radio stations. A plaque inscribed with Mr. Martinez's name will be hung at the Baseball Hall of Fame in recognition of the historic significance of this effort.

Our graduates, William, John, and Hector, are productive members of society. Many of our students are low income single mothers who need technical skills to improve their lives. Many others are middle or upper income students who view trade and technical education as an effective way to obtain the skills they need to be competitive in the job market of the 1990's. With the changing needs of the workforce, and the large number of people who do not choose to attend traditional colleges, trade and technical schools are playing an increasingly important role in developing the labor pool this nation must have to remain competitive with a united Europe and a financially powerful Asia.

Demographic studies indicate that the labor force will have to rely heavily on immigrants and minorities to fulfill their human resource needs. Without further education, the capabilities of America's non-college bound students will never develop to their full potential, and our economy will suffer.

Today, business leaders are clamoring for more highly skilled workers. As mentioned earlier, almost three-fourths of all new jobs created during the 1990s will require some form of postsecondary education. Moreover, by the year 2000, a large portion of new job opportunities will be in companies with fewer than 100 employees. These small companies are the least able to provide remediation and technical education needed by their employees.

It is no wonder, then, that some of the strongest supporters of trade and technical schools are business people. They hire 81 percent of our graduates immediately upon completion for jobs within their chosen career fields. Contrary to popular belief, these students are not stuck in entry-level jobs, but have the solid background to advance in their fields and can adapt to new technology. Indeed, 18 of the 20 fastest growing occupations are taught in postsecondary trade and technical schools.

Our schools are not perfect. Some trade schools have abused the student aid system. We are working with the Congress and the Department of Education to curb these abuses. NATTS recommended and fully supported the provision which was included in the Omnibus Budget Reconciliation Act of 1989 that prohibits federal financial aid to students attending schools which have voluntarily withdrawn while under a show cause order from an accrediting body or whose accreditation has been revoked. Such schools are now prohibited from participating in the Title IV programs for at least two years.

While any abuses are a serious concern, it is important to note that they are not the root of the default problem. All research demonstrates that the default rate of a postsecondary institution, lender, or guarantee agency is primarily a function of the population served. In addition, the cost of educating "at-risk" students, and making and administering loans for them, are greater regardless of the type of postsecondary institution the students attend.

Because trade and technical schools serve a significantly higher proportion of low-income women, minorities, and at-risk students than any other postsecondary sector, our default rates tend to be higher. In spite of this high-risk population, trade and technical schools are successful. More than 60 percent of our students complete their education compared to 43 percent in public community colleges, 58 percent in four-year colleges, and 33 percent in the Job Corps.

While NATTS schools have higher completion rates than other sectors, we are continually striving to improve. With regard to defaults, we launched a major Default Reduction Initiative over three years ago in conjunction with other groups in the proprietary sector. This program has been adopted, in whole or in part, by seven state guarantee agencies. We are currently conducting a second series of workshops for this initiative, which includes an emphasis on "economic life skills."

The results of this effort are already evident. The Secretary of Education reported that trade schools posted the largest decrease in loan defaults of any sector of postsecondary education from Fiscal Year 1986 to Fiscal Year 1987. Although the Department of Education has chosen this year not to report the data by sector, our analysis shows that trade and technical schools have experienced the largest drop in defaults in Fiscal Year 1988. These declines can be attributed to various reasons, but the private career school sector's Default Management Initiative has played a significant role.

We are proud of our reduced default rates because we recognize that every dollar in default that is collected can then be redistributed to other needy students. However, we also recognize that if too much emphasis is placed on low default rates, schools will be less inclined to serve at-risk students who have a higher propensity to default, those people perhaps most in need of educational opportunity. We must take care to properly address the default problem without compromising the access of these students to the education they need.

We are committed to ensuring public confidence in accreditation and accredited schools. During the past several months, the NATTS Accrediting Commission has been considering substantial reforms. These reforms of accreditation standards are in addition to major reforms of procedure, including the expansion of quality control and quality assurance measures. The Commission spent months diligently studying and debating possible reform measures, and has requested the comments, ideas, and insights of NATTS members. The following reforms have been adopted:

Tuition refund policy: The Commission voted to extend the refund policy to students terminating their education within 75 percent of the program from the previous level of 50 percent.

Associate Degree programs: To ensure public confidence in the value of an associate degree from NATTS-accredited institutions, the Commission voted to require a high school diploma or recognized equivalency certificate as a prerequisite for receiving an Associate of Occupational Studies degree.

Two other areas of reform, branching and the use of commissioned sales, will be considered by the Commission in June, 1990. In addition, the American Council on Education is currently developing admissions tests for NATTS schools nationwide. Students who do not meet cut-off scores could be denied admission.

All of these reforms have engendered lively debate within our Association as well as throughout the entire sector of private career education. I am confident that when the Commission completes its work in June, the result will be a model for accreditation.

Good trade and technical schools, those that fulfill their responsibilities to their students and utilize sound business practices, have nothing to fear from fair but rigorous standards and close public scrutiny. However, we are very concerned about the perception held by many policy makers that a majority of schools in this sector are bad or ineffective. This is patently untrue. The contributions that trade and technical education have made to society are significant. It is critical that policy makers recognize this if our nation is to be prepared to meet the challenges of the twenty-first century.

In conclusion, I would like to stress that we are committed to providing quality education and opportunities for the population that most needs to be brought into society's mainstream. At a time when the nation has a shortage of skilled workers, we are educating people for satisfying and important careers. We are successful at what we do, and no other sector in postsecondary education is more accountable or more committed to students. At the same time, we know we can do more and we are proposing new reforms to ensure that all trade and technical schools are the best they can be.

As you consider funding levels for student aid programs for Fiscal Year 1991, please keep in mind the needs of the workforce and non-traditional students. Increased funding for federal student aid programs is the most important step you can take to ensure a qualified labor force for the year 2000 and beyond. The Pell Grant program is the stepping stone for our nation's neediest students to obtain postsecondary education. Continued, and even expanded, support for all postsecondary students through student aid programs is a cost-effective way of nurturing the labor force America needs to remain competitive in the global economy.

Thank you very much for you attention. I would be happy to answer any questions at this time.

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TUESDAY, MAY 1, 1989.

## SECONDARY, VOCATIONAL AND POSTSECONDARY EDUCATION

### WITNESS

**MOSES HOLMES, LEGISLATIVE SPECIALIST, NATIONAL EDUCATION ASSOCIATION**

Mr. NATCHER. Our next witness is Mr. Holmes.

Mr. HOLMES. Thank you, Mr. Chairman and Mr. Purcell.

I am Moses Holmes, Legislative Specialist for the National Education Association.

We appreciate the opportunity to comment on the fiscal year 1991 Labor-Health and Human Services Education appropriations bill.

An endless list of statistics, a litany of programs, and a retelling of concerns cannot fully convey to you the importance of the Federal investment in education.

Our Nation is changing—rapidly and dramatically, and America's public schools are the most important institution we have to shape that change.

The spending choices this Congress makes—relative to education appropriations, will touch the lives of millions of Americans, with an impact on generations to come.

In recent years, the American people have heard Federal officials tell them that education is a top priority, but too many have demonstrated that it isn't the Federal Government's priority.

State and local Governments have made heroic attempts in recent years to improve the quality of our schools and yet, not every State is equally able to make the same commitment.

In 1989-90, at least 31 States are below the national average in per-pupil expenditures, and the bottom 10 States spend less than 70 percent of the national average.

The Federal Government is the only entity capable of compensating for these obstacles to excellence—providing assistance to students and schools with serious obstacles to achievement, promoting effective methods and technologies, and revitalizing the national drive for excellence in education.

These are primarily the Federal Government's responsibility.

The Federal Government must provide resources to fund national priorities and enable State and local Governments to be able to afford to expand programs, reduce class size, pay staff, and bear other costs of education.

At the same time, NEA strongly supports increased spending for vocational education programs and for postsecondary student aid and institutional aid programs to expand access and improve the quality of postsecondary education.

NEA urges this subcommittee to protect all education programs from any cuts, including losses due to inflation; restore education services lost over the past decade due to cuts and erosion against inflation, expand education programs to meet national needs and goals, and support the funding priorities established by the NEA-backed Committee for Education Funding.

NEA and other advocates for education and for children appreciate the leadership of this subcommittee and specifically Chairman Natcher.

Without your leadership, millions of American public school students would be left to sink or swim. We appreciate your continued support, and will be happy to provide additional information and assistance on request.

Beyond the statement, I would like to say that we also appreciate and feel very much indebted to you for the kind of leadership and your continued leadership in appropriations on this committee for those programs which are priorities and especially for the disadvantaged and the unprecedented level of appropriations in last year's chapter 1 program.

Thank you, sir.

Mr. **Natcher**. Thank you for your appearance.

We appreciate your statement, which was an excellent statement, and your statement concerning our service on this subcommittee—you know, from time to time, the different organizations that are very much concerned about education we call on for help, as you well know and we appreciate the assistance we always receive.

Thank you very much.

[The information follows:]

**LEGISLATIVE INFORMATION**

# TESTIMONY
# OF THE
# NATIONAL EDUCATION ASSOCIATION

# ON THE

# EDUCATION APPROPRIATIONS FOR FISCAL YEAR 1991

BEFORE THE
SUBCOMMITTEE ON
LABOR-HEALTH AND HUMAN SERVICES-EDUCATION
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

PRESENTED BY
MOSES HOLMES
LEGISLATIVE SPECIALIST
MAY 1, 1990

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KEITH GEIGER, President
ROBERT CHASE, Vice President
ROXANNE E. BRADSHAW, Secretary-Treasurer

DON CAMERON, Executive Director

Mr. Chairman and Members of the Committee:

I am Moses Holmes, a Legislative Specialist for the National Education Association, which represents 2 million professional and support employees in public elementary, secondary, vocational, and postsecondary schools throughout the nation. We appreciate the opportunity to comment on the FY 1991 Labor-Health and Human Services-Education Appropriations bill.

On February 25, 1990, the National Governors Association and the President of the United States agreed to six ambitious national goals in education. These goals are broad; they cover the entire spectrum of our national population. They are ambitious; they will require coordinated efforts on the part of all Americans and the involvement of public institutions and private individuals. Most importantly, they are achievable; the nation clearly has the human and financial resources to maintain a network of programs necessary to meet these goals. The question is whether or not we have the will.

The consequences of not meeting the national goals in education are simply unacceptable. Absent significant progress in our educational system, America will perpetuate and deepen economic and social divisions. We will not be able to maintain our status as a first-class economic and military power. In fact, it is questionable whether the political system we know today can survive without renewed emphasis on history, economics, and other social sciences.

In his Farewell Address, George Washington said, "In proportion as the structure of a government gives force to public opinion, it is essential that public opinion be enlightened." Clearly, President Washington understood that the survival of our political institutions is in direct proportion to the vitality of our schools.

In recent years, the American people have heard federal officials tell them that education is a top priority. But too many have demonstrated that it isn't the federal government's priority. NEA and other advocates for education and for children appreciate the leadership of this Subcommittee and specifically Chairman Natcher. Without your leadership, millions of American public school students would be left to sink or swim. Every day of the school year 40 million public school students arrive at school. The same will be true the next year and the next. Every one of those 40 million Americans -- 16 percent of the total population -- is touched in some way by the work of this Committee and the relative priority Congress places on education.

America's public school students are a diverse group. From one-fifth to one-fourth live in poverty; about 11 percent are disabled -- physically, mentally, or both; as many as 10 percent have limited proficiency in English. Statistics can help guide policy, but they do not tell the whole story. Each student is an individual with unique talents, abilities, and obstacles to overcome. In the U.S., with its emphasis on the individual and its respect for individual achievement, each deserves special attention. Overcoming those obstacles and meeting the needs of those individuals requires tremendous resources to pay for adequate facilities, excellent staff, and programs that emphasize excellence.

State and local governments have made heroic attempts in recent years to improve the quality of our schools. Last year alone, state and local spending for K-12 education rose by 6.8 and 6.0 percent, respectively.

State and local governments have provided resources to improve salaries for education employees in an effort to do more than keep pace with inflation, but to enhance efforts to attract and retain highly qualified individuals in jobs requiring immeasurable patience, sensitivity, and creativity. They have put money into reducing class size, particularly at the elementary level, in an effort to respect the variety of individual needs and build a solid foundation for future academic gains. They have committed funds to expand programs to give students and parents choices that are relevant to their academic and economic ambitions. They have provided resources to improve facilities, with an emphasis on assuring the health and safety of children in their charge.

Clearly, not every community and not every state is equally able to make the same commitment. In 1989-90, at least 31 states are below the national average in per-pupil expenditures; and the bottom 10 states spend less than 70 percent of the national average. Not surprisingly, those states have the greatest need for assistance from the federal government. It isn't a question of will; these states simply do not have the economic foundation to support improvements they need to assure every child in America access to quality educational opportunities.

Within states, there are sharp differences in the ability of communities to support quality education programs. Urban centers frequently have tremendous economic and social problems which make it difficult to meet current expectations for education, much less to achieve the ambitious national goals in education set earlier this year. At the same time rural school districts face economic and geographic impediments, and shortages of the human resources necessary to provide quality education opportunity.

The federal government is the only participant in this endeavor capable of compensating for these obstacles to excellence. And yet, overall, the federal contribution to excellence and equity has declined over the past decade. While the total appropriations level for the U.S. Department of Education has been increased in recent years to levels comparable to FY80, much of that is the result of funding for new programs that did not exist in FY80. Many programs have lost tremendous resources, despite the fact they make an important contribution to the quality of American public education.

President Bush's recommendations for FY91 appropriations fell far short of the amount needed to keep pace with inflation in many programs -- to say nothing of programs to expand or improve services to students. The President's recommendation for a $24.6 billion total spending level for the Department of Education was approximately 2 percent below the cost of keeping pace with inflation. Moreover, the Bush Administration recommended more than $1.3 billion in cuts in specific programs, including sharp reductions in postsecondary student aid, assistance to public libraries, and Impact Aid.

In a number of important areas, the Administration's recommended spending levels fell far short of what it would cost to keep pace with inflation since FY1980. After accounting for inflation, Chapter 2 block grants would be $880 million below the levels provided for the antecedent programs consolidated in 1981;

Impact Aid, $763 million below the FY80 level; Vocational education, $450 million below FY80; Bilingual education, $121 million below FY80; and postsecondary student aid programs -- Supplemental Education Opportunity Grants and College Work/Study -- $180 million and $347 million below FY80.

The President's education budget recommendations must be rejected. By contrast, the level included in the FY91 Budget Resolution recommended by the House Budget Committee provides authority to appropriate $2.5 billion in new funds -- that is, approximately $3.5 billion more than the Administration's proposed level for education.

All federal education programs are important, and each is an essential element in meeting the national goals in education. All education programs should be supported, and virtually all of them fall far short of meeting student needs.

Since 1980, the number and percentage of students served in Chapter 1 math and reading programs for disadvantaged students has fallen dramatically, from 7 million students served to 5.3 million served. While Congress has increased spending for these important programs to restore some of that decline, overall local Chapter 1 programs reach only half of those eligible and in need of assistance. Financial support for federally mandated handicapped education programs has fallen from 12 percent of the costs above the average per pupil expenditures to around 7 percent of the excess costs. In other words, for every $8,800 state and local governments spend to educate America's 4.4 disabled children, the federal government contributes $352. Federally funded bilingual education programs serve only one in six students identified by states as limited English proficient and only one in 18 of such students estimated by the U.S. Census.

These are some of the examples of the tremendous gulf between the need for assistance and the extent of federal support. NEA does not question that education is primarily a state and local priority. Such an assertion is wholly beside the point. Providing assistance to students and schools with serious obstacles to achievement, promoting effective methods and technologies, and revitalizing the national drive for excellence in education -- these are primarly the federal government's responsibility. Congress must take immediate steps to fulfill that responsibility to students at the elementary and secondary, vocational, and postsecondary levels.

Fiscal Planning Services, Inc., in projections prepared for NEA, estimate that fully funding Chapter 1 math and reading programs for disadvantaged students in FY91 would require an increase of $1.6 billion over the FY90 level. Fully funding Handicapped Education programs, based on the 40 percent share pledged by the Congress in 1974, would cost some $6.4 billion over the FY90 level. Fully funding Bilingual Education would cost at least $1 billion more than the FY90 level. Funding Pell Grants at the $3,100 maximum authorized in the Higher Education Act would cost at least $2.5 billion more than the FY90 level.

Providing significant increases for other priority elementary, secondary, and postsecondary programs -- along the lines of the NEA-supported Committee for Education Funding's Family and Children's Budget and the Education Priority Budget recommended by Rep. Augustus Hawkins -- would require an additional $3.2 billion for needed increases in Chapter 2 block grants, Adult Education, Vocational Education, Mathematics and Science Education, Supplemental Education Opportunity Grants, and College Work/Study.

These funds are vital if we are to address equipment and inservice needs geared toward national goals in math and science education, integrate vocational and academic education to prepare students for future workplace demands, enhance literacy and adult education efforts, and expand access to postsecondary education for highly qualified, low-income students.

We recognize that this Subcommittee may be limited by the Congressional Budget Resolution to more modest targets for FY91 spending in the Labor-Health and Human Services-Education Appropriations bill. Nevertheless, careful consideration of the true needs is merited by the convergence of human needs and public opinion. Education appears in the top one or two issues of the most pressing importance in virtually every poll conducted over the past few years. A 1987 Gallup Poll found that nine of 10 Americans believe that education is the most important element in our nation's future strength.

And yet, federal financial support for education has declined over the decade. In 1980, education spending accounted for 2.5 percent of the total federal budget; in 1990, that share fell to 1.8 percent. If the share of the budget had remained the same, education institutions would have $6.7 billion more for essential programs.

Many federal officials have tried to justify the decline in federal assistance for public education claiming that the U.S. spends more than its economic allies on education. To the contrary, a 1989 study by the Economic Policy Institute (EPI) revealed that, as a share of gross domestic product, the U.S. spends less than 13 of 16 industrialized nations on elementary and secondary education. The U.S. spends some 4.1 percent of its gross domestic product on K-12 education, compared to 7 percent in Sweden, 4.8 percent for Japan, and 4.6 percent for West Germany.

Neither efficiency nor demographics can justify the comparatively weak U.S. investment in K-12 education. According to EPI, "Our decentralized school system gives more autonomy and local choice, but is also more expensive than a single, centrally administered system. Our population is more heterogeneous...(And the) high number of children living in poverty makes additional demands on the school system."

These unique characteristics of the American school system cannot be addressed by the federal government alone. But the federal government must provide resources to fund national priorities and enable state and local governments to be able to afford to expand programs, reduce class size, pay staff, and bear other costs of education.

For several years, the business-oriented Committee for Economic Development has recommended a renewed emphasis on disadvantaged students. CED's recommendations are entirely consistent with the national goals in education. Moreover, consistent with practical realities, CED recommends a significant investment in smaller schools, smaller class size, better support services in the schools -- such as health services, nutrition, and counseling -- and increased emphasis on extracurricular activities that help build academic, social, and physical skills.

Gross totals of national spending for education -- an estimated $353 billion in 1989-90 according to the U.S. Department of Education -- do not accurately indicate what funds are provided to support public elementary and secondary education. Of that total, less than half -- or $168 billion -- is spent for K-12 operating expenses.

There is no question that the federal government could do more to help advance the national goals in education. If the federal government fully funded Chapter 1 and Bilingual Education, and increased the federal share of Handicapped Education to 40 percent, the federal share of total elementary and secondary expenditures would be around 12 percent, still low enough to be considered a limited partner.

At the same time, NEA strongly supports increased spending for vocational education programs for secondary and adult students -- particularly to expand access to programs for populations traditionally underserved in vocational education programs. And NEA supports increased funding for postsecondary student aid and institutional aid programs to expand access and improve the quality of postsecondary education.

In 1980-81, the average award in Pell Grants, Supplementary Education Opportunity Grants, and College Work/Study combined totaled approximately $3,000 -- or 58 percent of the average total costs of attendance, measured in constant 1988 dollars. By 1988-89, however, the average award in those three programs -- measured in constant 1988 dollars -- was only $2,924 or less than 40 percent of the total costs of attendance.

Continued support for institutional aid, including TRIO programs for disadvantaged students, assistance to historically

Black colleges and universities, rescurces for equipment, research, libraries, and for fellowships in international studies and a variety of other areas are essential to meeting our nation's goals in economic vitality, international cooperation and competition, national security, and social and economic opportunity.

NEA urges this Subcommittee to protect all education programs from any cuts, including losses due to inflation; restore education services lost over the past decade due to cuts and erosion against inflation; expand education programs to meet national needs and goals; and support the funding priorities established by the NEA-backed Committee for Education Funding.

World events have provided the United States with an opportunity to redirect national priorities to meet pressing national needs. Increased education funding is a cost effective investment that will have a profound impact on our future economic strength and national security. Education deserves funding levels to establish and maintain programs that meet the educational needs of disadvantaged, handicapped, and other special students.

NEA appreciates your continued support, and we pledge to provide additional information and assistance on request.

Thank you.

TUESDAY, MAY 1, 1990.

## THE UNITED STATES INSTITUTE OF PEACE

### WITNESS

**STEPHEN P. STRICKLAND, PH.D., PRESIDENT, NATIONAL, PEACE INSTITUTE FOUNDATION**

Mr. NATCHER. The next witness is Stephen Strickland.

Mr. STRICKLAND. Good morning.

Thank you for letting me come last when there are not many people here, so I won't be so nervous.

I have submitted my testimony to you and would be glad to have any questions that you might have about it or questions that your staff might have about it at the end of these remarks or any time.

The National Peace Institute Foundation is the godparent of the U.S. Institute of Peace.

With our sister association, the National Peace Academy Campaign, we had 50,000 fellow Americans who urged you and your colleagues six years ago to establish the Institute and you did that.

The Congress, therefore, is the parent and I should say given the early disinterest of the Executive Branch in the Institute, the Congress has been the vital force that has kept the Institute going, and going it is.

Over the last six years, it has done quite remarkable work in helping train a new generation of peacemakers, of conflict resolvers and experts at understanding the sources of conflict internationally and training people to understand how we might avoid future conflict.

The budget of the Institute is a tiny one, really. It is only $7.55 million this year and the Institute has asked for 9.2 for next year.

They will be able to do a little bit more with that, but not nearly enough.

Considering that we stand at a crossroad now, the greatest opportunity for peace in Eastern Europe, South America, other parties of the world in recent time—I came here 30 years ago to work for your friends and my old boss, George Huddleston.

I am astonished at the prospects for peace that we now have, but while prospects are hopeful, it is a more complex time and we need more people to understand the problem of ethnic hostility and regional differences.

The Institute of Peace has begun to fill that need.

I think that now is the time for the Congress to take advantage of this child of its own and to strengthen that capacity.

We need centers of training all over the country building on the several in Michigan, Wayne State, University of Michigan, Michigan State.

We need more of all of this.

Under Ambassador Lewis, the Institute has assembled experts on regional conflict.

A year ago before all the commotion in Eastern Europe, Ambassador Lewis began conferring with these people and presented to the State Department a white paper in the fall which is now in use.

The same ought to be happening with respect to the Middle East and if they have the capacity to do so financially, they have the capacity to do so intellectually.

The Institute can't recommend policy, but it can assess situations and share with you and your colleagues any kind of information that would be useful, to the Armed Services Committee, the Foreign Affairs Committee.

That is what they are doing.

In all of our efforts, our friend and your late colleague, Spark Matsunaga, has been our leader.

We took our cues from him. He chaired the congressional commission that recommended the creation of the Institute.

He has been a stalwart and I know he was especially grateful to you for your help over the last two years in making sure the Institute had a regular specified budget authorization and appropriation every year.

A couple of weeks ago, he went once more to his colleagues on the Senate Appropriations Committee and urged them to give this small, critically important agency the full $10 million that it is authorized to have for 1990, so that on behalf of us all, it can continue to do good work and expand that work and take a moderate step forward for peace on behalf of this country and the world.

Mr. Chairman, I thank you.

I applaud you. I have watched you with admiration for three decades and it is an honor to be here before you today.

Mr. NATCHER. I want to thank you for your excellent statement. We appreciate your appearance.

[The information follows:]

**National Peace Institute Foundation**

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For Release Upon Delivery

Testimony For

House of Representatives
Committee on Appropriations
Subcommittee on Labor, Health
and Human Services, Education
and Related Agencies
Representative William H. Natcher
Chairman

Statement By

Stephen P. Strickland, Ph.D.
President
The National Peace Institute Foundation

On

The United States Institute of Peace

Scheduled For:

Tuesday, May 1, 1990
11:55 a.m.
Rayburn House Office Building
Room 2358

Mr. Chairman, and members of the Committee, my name is Stephen P. Strickland, and I am President of the National Peace Institute Foundation. As members of this Committee know, the Foundation grew out of the National Peace Academy Campaign, which was instrumental in the creation by Congress of the United States Institute of Peace, six years ago this year.

Our Foundation is not officially affiliated with the United States Institute of Peace. Instead, we are an independent organization with approximately 14,000 members from every state in the Union who financially support our activities. We also remain in touch with many others of those 50,000 Americans who, beginning in the 1970's, worked along with Congress to create a Peace Institute. Some of our Board members served on the Study Commission created by Congress and worked alongside members of both houses of Congress who were on that Commission. Our Foundation members felt a deep sense of gratification when Congress created the U.S. Institute of Peace and we retain the keenest possible interest in the Institute.

Our purpose here today is a simple one. It is to urge this Committee to increase the appropriation for the U.S. Institute of Peace. Mr. Chairman, I hope that you and your colleagues on this Committee and in the House as a whole, feel a sense of satisfaction that the idea you adopted and the instrument you created for the expansion of our government's and our nation's peacemaking capacity in 1984 has now come of age; that with respect to policymaking and to public education in the cause of peacebuilding, the U.S. Institute of Peace is moving into a centrally important position.

My reading of the history of the Institute's establishment is that one powerful motive for Congressional action was a deep sense of dismay over the dreadful consequences of having approached every international trouble spot in the 1960's and the 1970's in a belligerent mode. So Congress created the Institute to help the government and the nation develop new knowledge about the bases of violent conflicts, and about how to avoid or resolve them in the future. Mr. Chairman, the future has arrived.

No one foresaw the possibility that 1989 would bring much of the world closer to peace and democracy in the dramatic ways that have occurred. No one can predict precisely how this movement will unfold, or, indeed, whether it is certain and inexorable, or reversible. But every thinking person knows that the future, even though filled with promise, may well be more complicated than the recent past. Peace has broken out in Eastern Europe, but so have latent ethnic hostilities. Democracy has returned to some of our neighbor nations to the South, but acute economic and political problems remain with such intensity that new conflicts are entirely possible, even likely.

Now is the time when peacebuilders and international conflict resolvers are needed in greater numbers and with the requisite knowledge and skills. Now is the moment when we must resolve to stay ahead of events -- in our study and thinking, planning and training -- lest once again we be overtaken by them.

Fortunately, in the United States Institute of Peace, under the leadership of its President, Ambassador Samuel Lewis, we have an agency which, for five years, has been preparing for the new era now dawning and which is now ready to assume a larger role on behalf of us all.

A few weeks ago, Ambassador Lewis reported to this Committee how the U.S. Institute many months ago convened a study group of scholars and diplomats to examine potential conflicts that could arise in Eastern Europe over the next five years even if Soviet control continues to recede, and how violent outbreaks might be forestalled. Encouraged by the State Department, this effort is going to prove enormously valuable to our policymakers, including the Congress of the United States. We at the National Peace Institute Foundation applaud this effort. We believe strongly that similar efforts are needed with respect to Latin America, Southern Africa, Northeastern Africa, Southeastern Asia, and the Middle East. But the Institute cannot undertake such additional, critically important efforts with the small budget it currently has.

Ambassador Lewis also reported to this Committee on a number of grants to educational institutions in several parts of the country, having to do with peace and conflict resolution curriculum development and teacher training. But the fact is that there are scores of additional institutions which want and have the intellectual and broad institutional capacity to undertake such programs -- to help train more peacemakers for the future -- but which have no chance of receiving even token support from the U.S. Institute because of the Institute's limited funds. Now is the time to expand the base of young Americans who wish to become skilled peacebuilders and conflict resolvers. There is a simple way to do so -- by increasing the Institute's budget.

From official testimony presented to you by Ambassador Lewis of the U.S. Institute, you also learned of a plan to expand the Institute's library capacity to make more easily available -- to journalists, students, scholarly researchers, independent analysts, educators and librarians throughout the country -- the best and most current peace-related research. That effort is altogether laudatory and important, but truly ought to be expanded and extended, and rapidly. The Institute's peace research library could in fact become a comprehensive national system, broadly accessible and very "user friendly", if the Institute had more resources to put into it.

Indeed, Mr. Chairman, almost every existing program of the U.S. Institute of Peace, including that devoted to public education, ought to be expanded. New opportunities for helping the transition to peacetime are being presented to the Institute every week. The Institute's current budget blocks both possibilities.

The U.S. Institute of Peace has requested $9.2 million for fiscal year 1991. This would be a 17% increase for the Institute over the amount appropriated last year. However, in dollar terms, Mr. Chairman, you and your colleagues can recognize instantly that the amount being requested, regardless of the percentage increase, is a minuscule item in the federal budget. It is an exceedingly small sum compared to the importance of the challenge and the relevance of the Institute's work. Congress in its wisdom actually authorized a ceiling of $10 million for the

Institute for fiscal year 1991. Our Foundation's Board of Directors, and our members, strongly urge that this Committee appropriate the full authorized amount for next year.

The world is at a crossroads. So is our government and so, hence, is this Committee. The superpowers have backed away from war. More than ever before, we in the United States need all the intellectual resources we can develop and marshal, to safeguard and expand peace and to avoid new kinds of violent conflicts. Fortunately, we have in the U.S. Institute of Peace an institution prepared to help take on the new challenge. We have an agency which, under the mandate given it by Congress in 1984 and under the annual Congressional appropriations, has gradually developed capacities of leadership and service, now ready to be put to use.

All of us are keenly mindful of fiscal stringencies and of other urgent needs. But surely, Mr. Chairman, an appropriation of $10 million for the one U.S. Government entity devoted exclusively to peacemaking is a minimum we as a nation ought to provide. As the world moves hesitantly into a new, hopeful but also hazardous era, we urge you and your colleagues to continue your pioneering, to give a strong boost to the agency you so wisely created six years ago so that, in turn, the U.S. Institute of Peace can more strongly boost the world's chances for lasting peace.

National Peace Institute Foundation

110 Maryland Avenue, N.E., Washington DC 20002 202-546-9500

STEPHEN P. STRICKLAND, PRESIDENT/EXECUTIVE DIRECTOR

Dr. Stephen P Strickland is the President and Executive Director of the National Peace Institute Foundation and is responsible for day-to-day operation and long-range planning. From 1985 to 1988 Dr. Strickland was Senior Associate at the Kettering Foundation. At Kettering he was advisor for development of international programs and public outreach and coordinator of the foundation's program on supplemental diplomacy in the Western Hemisphere.

Prior to his position at Kettering, he served for eight years as vice president of the Aspen Institute for Humanistic Studies. Among his responsibilities at the Aspen Institute were oversight of the development of the center at Wye Plantation and coordination of Latin American programs, including the project on International Governance in the Western Hemisphere. He was founder and interim director of the Aspen Institute Italy in 1984. In prior years, Stephen Strickland directed the President's Commission on White House Fellows and was a senior Congressional staff member.

**National Peace Institute Foundation**

10 Maryland Avenue N.E. Washington DC 20002 202-546-4500

Mission

All people share a vision of a peaceful, just and secure world. The National Peace Institute Foundation links this vision with the growing knowledge and practice of the peaceful resolution of conflict.

We take pride in the fact that our National Peace Academy Campaign mobilized 45,000 citizens to secure the establishment of the United States Institute of Peace. The Campaign affirmed our belief in the power of concerned citizens working together to make a difference. We have a special commitment to the further growth of the Institute.

The Foundation's wider purpose is to promote peacebuilding and peacemaking throughout our own country and in the world. We seek to empower citizens and governments with the perspectives and skills required to avoid violent conflict and to convert potentially destructive tensions into positive energies for progress. Our objective is to integrate conflict resolution into the mainstream of national and international life.

Program

Through the network of our Regional Councils, we work cooperatively with local groups to promote the United States Institute of Peace and to sponsor events on peacemaking and conflict resolution. Our newsletter, the Peace Institute Reporter, serves as a national forum for peace educators and institutions. As a non-governmental member of the United Nations and in other ways, we participate in a global community of peacemakers.

Membership

An active, involved membership is key to the Foundation's past and future achievements. We welcome as members both individuals and institutions who share this vision for our common future.

TUESDAY, MAY 1, 1990.

## EDUCATION PROGRAMS

### WITNESSES

MARTHA C. FRICKE, PRESIDENT, NATIONAL SCHOOL BOARDS ASSOCIATION

THOMAS A. SHANNON, EXECUTIVE DIRECTOR

MICHAEL A. RESNICK, ASSOCIATE EXECUTIVE DIRECTOR

EDWARD R. KEALY, DIRECTOR, FEDERAL PROGRAMS

Mr. NATCHER. Our next witness is Martha Fricke.

Come around. We will be glad to hear from you.

Mrs. FRICKE. Thank you, Mr. Chairman.

I am Martha Fricke, President of the National School Boards Association, and I am testifying today on behalf of the 97,000 local school board members who set the education policy for our school children.

NSBA greatly appreciates the extraordinary commitment to the needs of disadvantaged youth made by this committee last year by its $1 billion increase for Chapter 1.

We believe that level of commitment must set the pace for appropriations for fiscal year 1991.

Recent world events make it clear that investing heavily in education programs will be crucial to the national security of our country, as economic strength is fast becoming the new measure of international leadership.

The primary threat to American leadership is the barriers to learning facing an increasing number of our children and youth.

These barriers include economic deprivation, limited English-speaking abilities, and inadequate child care and supervision out of school.

Without a solid foundation in literacy, computation and critical thinking skills these young people will be unable to perform up to the standards that the international economy will demand.

This outcome can be avoided.

Our Federal education programs and early intervention programs, like Headstart and the House child care bill, directly address the barriers to learning confronting our young people.

While some of the President's budget requests are worthy of support such as the $94 million increase for math and science, his education budget does not deliver the assistance local school districts need to achieve his announced national education goals.

We, instead, urge the committee to invest $2.8 billion in education increases as follows: to prepare our school children for leadership in the 21st century.

First, the Chapter 1 compensatory program and the new Perkins Vocational Education program should each receive a 20 percent increase.

Both programs are targeted at the ends of the disadvantaged.

An additional $1 billion for Chapter 1 will provide an additional one million students with reading, math, counseling, and parental involvement services to improve their academic achievement.

An additional $200 million for the newly revised Perkins Act will greatly improve local programs to prepare disadvantaged students for occupational success and initiate the new tech rep and equipment update programs.

Second, we strongly believe that Congress has a duty to fulfill the commitments made to support the educational costs of special populations like the handicapped and federally connected children.

Both the Handicapped Education program and Impact Aid program are severely underfunded.

Local and State Governments cannot make up these chronic shortfalls without sacrificing the general quality of local educational programs.

We urge the committee to provide an $800 million increase for the handicapped to increase the Federal share of costs to 12 percent and to fully fund the new commitment to serve preschool handicapped children.

We also recommend a $100 million increase for the Impact Aid program to address the needs of federally connected children residing in low-rent housing projects, living on Indian lands, or from transient military families.

We urge the committee to invest more in the application of technology to teaching and learning.

For example, the Star Schools program has been a major success in opening up schools with limited resources to the benefits of distance learning through satellite technology.

My own 730 student school districts in Ashland, Nebraska participates in Star Schools.

Next year, 20 students will study Russian, Japanese and Spanish and others will take advanced math.

Our teachers will receive in-service training from national experts.

We could never offer these experiences without Star Schools.

We urge the committee to reject the President's request to kill Star Schools and instead to approve $25 million for 1991.

In addition, we recommend $10 million for school business partnerships and $3 million for the Department of Education's Office of Training Technology Transfer.

These programs can greatly increase the access of local school districts to education and training technology developed by Government, the military and private and non-profit organizations.

NSBA is convinced that technology programs like these have a tremendous potential to accelerate school improvement throughout America.

In summary, school board members know that our constituents truly support investing more in education.

We urge the committee to make education a top budget priority to prepare our children for the demands of the 21st century.

Thank you.

Mr. NATCHER. Thank you very much.

You have given us an excellent statement and we appreciate it.

[The information follows:]

NSBA

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Fifty Years of
Educational
Leadership
1940-1990
NSBA

Martha C. Fricke
President
Thomas A. Shannon
Executive Director

TESTIMONY

on behalf of

THE NATIONAL SCHOOL BOARDS ASSOCIATION

on

# **FY 91 APPROPRIATIONS**

before the

House Appropriations Subcommittee on Labor,
Health and Human Resources, Education, and Related Services
2358 Rayburn House Office Building

May 1, 1990

Presented by
Martha C. Fricke
President
National School Boards Association

Also present for NSBA:

Thomas A. Shannon
Executive Director

Michael A. Resnick
Associate Executive Director

Edward R. Kealy
Director, Federal Programs

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Appendix

## I. INTRODUCTION

I am Martha Fricke, President of the National School Boards Association and a member of the Ashland-Greenwood, Nebraska school board. I am pleased to have this opportunity to testify before the Education Appropriations Subcommittee on behalf of the 97,000 local school board members across the country who set policy for the education of our school children.

NSBA is the only major education organization representing the locally elected and appointed school board members across the nation. Currently marking its fiftieth year of service, NSBA is a federation of state school board associations with direct local school board affiliates, constituted to strengthen local lay control of education and to work for improvement of education. Nationwide, local school board members are politically accountable to their constituents for the prudent operation and fiscal management of the local school districts they serve. As government officials, school board members are uniquely positioned to judge federal legislative programs purely from the standpoint of public education, without consideration to their personal professional interest.

## II. OVERVIEW OF FISCAL YEAR 1991 FUNDING REQUESTS

NSBA greatly appreciates the extraordinary commitment to the needs of disadvantaged youth which this Committee demonstrated last year by approving a $1 billion increase in appropriations for the Chapter 1 compensatory education program -- the largest increase in the history of the program. We believe that this level of commitment must set the pace for appropriations for fiscal year 1991 and lead the way to funding fully all federal education programs.

Concerns about deficit reduction should be laid aside when considering increases for education which, in any event, amount to a minute fraction of one percent of the federal budget. Federal expenditures on education are a necessary investment in the future economic and social well-being of our society and not a cost to be cut to reduce the deficit. Only a skilled and well-educated citizenry can produce the wealth needed to finance our national debt.

## III. REVIEW OF PRESIDENT BUSH'S FY 91 BUDGET REQUEST

As a result of their education summit, President Bush and the nation's governors have identified ambitious goals for education for the year 2000. School readiness, school completion, preeminence in mathematics and science education, safe and drug-free schools, literacy, and improved academic achievement are all goals worthy of our best efforts. But NSBA believes that they cannot be achieved without a significant commitment of resources from the federal government. President Bush's Fiscal Year 1991 budget request does not make that commitment.

The President's budget request for major current elementary and secondary education programs like Chapter 1 and Chapter 2 barely keeps pace with inflation. It also includes program cuts of $153 million which NSBA urges the Committee to reject. Chief among these is a $98 million cut in the impact aid "b" payments for children whose parents live or work on federal property and the elimination of the Star Schools satellite program which beams high quality educational programs around the country. Several major programs are frozen at last year's level of funding and do not keep pace with inflation, including vocational education, magnet schools for desegregation, and immigrant education.

The President has recommended some $400 million in program initiatives for merit school grants, magnet schools not related to desegregation, alternative certification, and excellence awards. While these projects can be worthwhile, NSBA believes the priority must be to provide significant increases for programs for the disadvantaged and for school improvement that are already proven and yet are seriously underfunded.

Several recommendations by President Bush for program increases are deserving of the Committee's support. NSBA supports his $94 million increase for the Eisenhower math and science education program, which provides grants to local school districts for teacher training and curriculum development; providing $45 million to restore and increase funding for dropout prevention demonstration projects; and increasing program funding for adult education and literacy, bilingual education, and drug education.

While the President's requests for increased spending and new initiatives are welcome, his overall education budget does not meet the standard of an Education President and certainly does not approach the level of assistance needed by local school districts to achieve the announced national education goals.

## IV. EDUCATION AND INTERNATIONAL LEADERSHIP

Recent events in world affairs make it clearer than ever before that investing generously in education programs will be crucial to the national security of our country in the coming years. As economic strength overshadows military strength as the new measure of international leadership, a strong educational system becomes essential to advancing America's leadership among nation's in the 1990's.

The primary threat to American leadership is the growing number of children and youth at risk of being unable to compete successfully in an international economy that demands skillful, well-educated workers. Each year, local school board members find more children coming to school burdened with barriers to learning. These barriers are far-reaching and include: 1) economic deprivation resulting in deficiencies in health, nutrition, and home environment; 2) backgrounds in which English is not the primary language; and 3) inadequate child care and after-school supervision.

Shortly after the turn of the century, these young people will become one third of the United States work force competing in a world marketplace that puts a premium on increased productivity. Yet without a solid foundation in literacy, computation, and critical thinking skills, these young people will be unable to perform up to the standards that the international economy will demand.

This outcome can be avoided. We know what to do. Many of our federal education programs and related programs like Head Start and the recently passed child care bill, H.R. 3 directly address the barriers to learning plaguing our students. What is needed is a coordinated national youth policy and adequate funding to provide these services to all the eligible children and youth who need them. The federal budget must have education as a top priority if our economy is to thrive in the increasingly competitive world economy.

## V. INVESTING FOR 21ST CENTURY LEADERSHIP: SPECIFIC PROGRAM RECOMMENDATIONS

NSBA firmly believes that in the 21st century a nation's potential for leadership in the world will depend primarily on the knowledge base of its citizens. In order to prepare our citizens for leadership among nation's in the 21st century, we as a nation must invest today in our school children. NSBA urges that the Committee adopt our specific program recommendations for Fiscal Year 1991, totaling $2.8 billion in increases for education. A summary chart is appended for the Committee's convenience.

The Committee should begin by providing an increase to offset inflation to maintain the effectiveness of all current education program and prevent erosion of the base of federal education services. The Committee should also fund the following priority areas.

### A. Priority Programs for "At-Risk" Children and Youth

NSBA strongly recommends continued increases in real services in Fiscal Year 1991 for two programs that deal directly with children and youth at-risk of academic failure: Chapter 1 and children and youth at-risk of academic failure: Chapter 1 and vocational education. We also support funding for Head Start and the school-based child care programs in H.R. 3 at the level recommended in the House Budget Committee report.

## 1. Chapter 1, Education for the Disadvantaged

The Chapter 1 program has proven itself effective over a long period in increasing educational achievement among disadvantaged students. Since 1988, Congress has made full funding of Chapter 1 to serve all eligible children a top budget priority. In FY 90 Congress appropriated nearly an $800 million increase, the largest in the program's history. NSBA recommends an additional $1 billion increase in FY 91 to provide an additional one million students with reading, math, counseling, parental involvement and other services to improve their achievement. The Chapter 1 funding formula will target this increase through concentration grants to those school districts with the most disadvantaged students. At a $6.4 billion funding level, Chapter 1 will be close to serving three quarters of all eligible children.

While Chapter 1 has seen funding increases, the new secondary school basic skills improvement and dropout prevention and reentry program authorized in 1988 has not yet been funded. NSBA recommends that this program, which targets services at high school students and school dropouts, also receives $150 million in funding in order to address the critical national goal of improving school completion rates among our disadvantaged youth. The Even Start program, which targets literacy problems among parents of disadvantaged students, should also be increased by $50 million.

## 2. Vocational and Applied Technology Education

Congress will shortly complete the reauthorization of the Carl D. Perkins Vocational Education Act. The new legislation will focus Perkins funds on preparing students disadvantaged as a result of economic factors, physical or emotional disabilities, and limited English proficiency for successful occupational careers. Significantly more of the funds will be driven by a needs based formula to local school districts to improve vocational and technical education for these special populations. In addition, special attention is given to creating programs of technical preparation that span secondary and postsecondary levels (Tech-Prep). We strongly recommend that the greatly improved Perkins program receive a $200 million increase in funds for basic grants and for the Tech-Prep and equipment update programs.

## B. Priority for Federal Education Obligations

Congress has obligated the federal government to support the educational costs of special populations through two major pieces of legislation: P.L. 81-874, authorizing Impact Aid for districts with significant numbers of federally-connected children, and P.L. 94-142, the Education of all Handicapped Children Act mandating services for students with a wide range of disabilities. NSBA strongly believes that Congress has a duty to fulfill these commitments which currently are greatly underfunded.

### 1. Education of the Handicapped, P.L. 94-142

The Education of All Handicapped Children Act, P.L. 94-142, requires local school districts to provide special education services to over 4.4 million students with learning disabilities and physical, mental, and emotional handicaps. The costs of special education are estimated by the Rand Corporation at 2.2 times the national average annual per pupil cost of $4,500 or $9,900.

While P.L. 94-142 authorizes the federal government to cover 40 percent of the excess costs of fulfilling this federal mandate, its share has never gone beyond 12 percent and now stands at only seven percent. The President's budget requests only an inflation increase for the state basic grant program. NSBA recommends that Congress move toward the promised 40 percent share by providing an appropriation that covers 12 percent of the excess costs in FY 91.

In 1986, Congress expanded local school districts commitment to the handicapped by requiring participating states to serve all handicapped children ages 3-5 years old by school year 1990-91. The Preschool Incentive Grant Program has successfully identified and enrolled over 60,000 unserved handicapped preschoolers. The program calls for states to receive $1,000 for each child served in the previous year. Since an estimated 360,000 children are now served, an increase of $108 million would be needed to meet the federal commitment. The administration is recommending only a $6 million increase or 2.5 percent over last year.

Local and state governments cannot make up such shortfalls in special education funding without sacrificing the general educational quality of local schools. NSBA strongly recommends that the Committee appropriate an $800 million increase for the education of the handicapped in order to: 1) increase the federal share of excess costs in the basic grant program to 12 percent; and 2) to fully fund the commitment made to serve all eligible preschool handicapped children.

2. Impact Aid, P.L. 81-874

Impact aid is essential to local school districts serving federally-connected children whose parents represent a revenue loss for the district and who often bring with them special educational needs as a result of living in low-rent housing projects, living on Indian lands, being handicapped, or being from a transient military family where one parent may be away from home on assignment for extended periods.

The impact aid program has suffered major cutbacks in the 1980's. State and local governments have not made up the difference with the result that heavily impacted districts are suffering a decline in educational quality. Base closings and consolidations as well as reductions in troop strength abroad are sure to test the capacity of many local school districts with military facilities in the coming year. The impact aid program should receive at least a $100 million increase to be at its authorized level of $835 million for FY 91.

## C. Priority for Technology and School Improvement

NSBA believes that Congress must also invest more heavily in education programs that foster school improvement and innovation, particularly through the application of modern technology to teaching and learning. Increased appropriations are needed for school improvement programs like Star Schools telecommunications, OERI's Office of Training Technology Transfer, school business partnerships, and Chapter 2 targeted assistance.

### 1. Star Schools

The Star Schools program is only in its third year and yet it has been a major success in opening up schools with limited resources to the benefits of distance learning through satellite and other forms of telecommunications. We urge the Committee to reject the administration's request to terminate the program at this critical stage. The private sector is not capable on its own of developing the educational programming required to take advantage of distance learning technologies. The consortium approach of Star Schools involving institutions of higher education, education associations, local school districts, state education departments, and technology providers has been essential to the quick start up of quality distance learning programs acceptable to a broad range of rural and urban school districts.

Through Star Schools, all school districts, no matter how small and isolated or large and fiscally strained, can have access to the top educators, curricula, and teaching techniques that the nation -- indeed the world -- has to offer. In my own local school district of Ashland-Greenwood in Nebraska, a rural district of only 730 students, we are part of the Star Schools program. Next year we expect to have twenty students studying Russian and Spanish, and half a dozen taking advanced mathematics courses. We are also using Star Schools to provide in-service training to our teachers with nationally known teacher educators. We could never offer our students and teachers these courses without the Star Schools satellite program. We urge the Committee to provide $25 million for a second cycle of funding for the Star Schools program which will allow further development and dissemination of this cutting-edge school improvement program.

## 2. Office of Training Technology Transfer

The U.S. Department of Education's Office of Educational Research and Improvement has established an Office for

Training Technology Transfer as authorized by the Trade Act of 1986. This office has a great capacity to increase the access of local school districts to the wealth of educational software that has been developed for other government agencies like the military, nonprofit organizations, educational institutions, and private corporations. However, this office has yet to receive an appropriation to begin its work. We recommend that the Committee provide $3 million for OTTT to fulfil its missions to inventory, evaluate, disseminate, convert, demonstrate, and install technology that will improve teaching and learning among our students. Technology has a great untapped potential to accelerate school improvement across America and facilitate the achievement of national educational goals for the 21st century.

3. School-Business Partnerships

The Trade Act also authorized a program of school-business partnerships to assist local school districts access high technology equipment, software, and training from the private sector. Funding is required to develop these partnerships and defray the costs of teacher training, site preparation, training materials, release time for private workers and related expenses. NSBA recommends an appropriation of $10 million to initiate this program.

4. Chapter 2 Targeted Assistance

The Chapter 2 program provides grants to every local school district targeted on key school improvement activities such as effective schools projects, personnel development including school board member training, gifted and talented education, and many other locally prioritized innovation projects. NSBA recommends an increase of $25 million to restore the unfortunate cuts made in recent appropriations cycles and to return the program to a funding level of $500 million.

## VI. Conclusion

The needs of our students as we approach the demands of the 21st Century require that Congress make education a top budget priority. As locally elected and appointed officials, we know that our constituents truly support the education priority. We urge the Committee to make a major investment in our young people's education and in the future well-being of America.

Thank you for the opportunity to testify before the Committee today.

## SUMMARY LIST OF NSBA RECOMMENDATIONS FOR INCREASES IN EDUCATION APPROPRIATIONS FOR FY 1991

A. Priority Programs for "At-risk" Children and Youth

1. Chapter 1, Education for the Disadvantaged

   Increase of $1.2 billion for basic grants, concentration grants, secondary basic skills and dropout prevention and Even Start to serve an additional 1 million students.

2. Vocational and Applied Technology Education

   Increase of $200 million for the new basic grants, Tech-Prep grants and equipment update grants.

B. Priority for Federal Education Obligations

1. Education of the Handicapped, P.L. 94-142

   Increase of $800 million for 12 percent of excess costs and full funding of preschool incentive grants.

2. Impact Aid, P.L. 81-874

   Increase of $100 million to fund at full FY 91 authorization of $835 million.

C. Priority for Technology and School Improvement

1. Star Schools telecommunications ($25 million)
2. Office of Training Technology Transfer ($3 million)
3. School-Business Partnerships ($10 million)
4. Chapter 2 targeted assistance ($25 million)

D. Priority for Maintaining Current Service Levels of all Programs ($440 million)

**Total Recommended Increase for Education: $2.8 billion**

TUESDAY, MAY 1, 1990

## FEDERAL MEDIATION AND CONCILIATION SERVICE'S LABOR-MANAGEMENT COOPERATIVE GRANT PROGRAM

### WITNESSES

STEVE BARGER, SECRETARY-TREASURER, KENTUCKY STATE DISTRICT COUNCIL OF CARPENTERS

WALTER MALAKOFF, ADMINISTRATOR, NATIONAL LABOR-MANAGEMENT COMMITTEE FOR THE CUSTOM WOODWORKING INDUSTRY

Mr. NATCHER. Our next witnesses are Steve Barger and Mr. Malakoff. We are delighted to have you two gentlemen before the committee at this time.

Mr. BARGER. Thank you, Mr. Chairman.

We appreciate the opportunity to be here. I am Steve Barger, Secretary-Treasurer and Business Manager of the Kentucky State District Council of Carpenters.

Mr. Malakoff, if it meets with your approval, would like to give testimony and I will have a brief closing statement.

Mr. MALAKOFF. Good afternoon. We have a longer written statement. With your permission, we would like to submit it for the record.

I am Walter Malakoff, Education and Training Specialist for the United Brotherhood of Carpenters and Joiners of America. I also serve as the administrator of the National Labor-Management Committee for the Custom Woodworking Industry, on whose behalf I testify today.

Our labor-management committee appreciates this opportunity to appear before the subcommittee in support of a program that was instrumental in the formation and success of our labor-management committee. That program is the Federal Mediation and Conciliation Service's Labor-Management Cooperative Grant Program which assists in the establishment and operation of company-specific, public sector, geographical area and industry-wide labor-management committees.

We believe the program is effectively serving the very important national objective of bringing together labor and management in improving the productivity of our industries and the work life of those employed in them. We, therefore, ask the subcommittee to give serious consideration to expanding the funding for the FMCS program.

Our committee, the National Labor-Management Committee for the Custom Woodworking Industry, was established in the fall of 1989, when 17 industry employers and union representatives from across the country came together to begin addressing a board range of industry issues. The industry we serve is a highly skilled one, manufacturing architectural woodwork and fixtures, products in which there are many small employers, and skilled cabinet makers can and do take a great deal of pride.

Unfortunately, there have not been effective labor-management committees in this industry, no forum in which industry problems can be addressed. However, thanks to the subcommittee's previous appropriations, all that is changing.

In the seven months since we were set up—we came together in the fall of 1989—the committee has begun addressing and begun to act on key industry issues such as apprenticeship and training, safety and health and recruitment of new workers to the industry.

We are in the process of setting up local labor-management committees in many areas. This represents the first time that labor an management in this industry has sat down and discussed OSHA's new wood dust standards, for example. These are only some of the issues addressed by the national committee.

For us, it is only a beginning. We plan to become a permanent body, and we hope to be completely self-funded within a year or two through negotiated contributions from local areas.

The catalyst for the formation of our committee was the Federal Mediation and Conciliation Service Grants Program. The committee would not exist today without the FMCS support, and all our work and progress made thus far would not have occurred.

We are concerned that there are many other worthy committees that the FMCS hasn't been able to fund. In fact, over 200 worthy proposals have been turned down since the program started in 1981. Because of lack of funding, many new committees only have a 12 or 18-month period to become completely self-funded, which is a very limited amount of time.

We are asking the subcommittee to look into the possibility of increasing the funding. The program is authorized to spend up to $10,000,000, but every year, that amount is not spent and worthy proposals have to be rejected by the FMCS. With a significant increase in appropriations, we believe a tremendous amount can be accomplished, that when you examine the history of the program, you will see something that is good for workers and industry across the Nation.

We urge you to fully fund FMCS' entire budget. The agency provides valuable services to labor and management in mediating disputes, and through such programs as this grant program, heading them off before they occur.

We would like to thank the committee for the opportunity to present our views and for your support of the FMCS and other labor-management programs in the past.

[The statement of Mr. Malakoff follows:]

**NLMC/CWI**

**National Labor-Management Committee for the Custom Woodworking Industry**

*101 Constitution Ave., N.W. Washington, D.C. 20001 202/546-6206*

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*Northwestern Showcase*
*Van Nuys, CA*

**ADMINISTRATOR**

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*United Brotherhood*
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**Jack Mothersole**
*Dayton Showcase Company*
*Dayton, OH*

**Theodore J. Petersen**
*Petersen*
*Planing Mill Company*
*St. Louis, MO*

**John Tokarek**
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**Mario Venneri**
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*Philadelphia, PA*

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BEFORE THE SUBCOMMITTEE ON

LABOR, HEALTH AND HUMAN SERVICES

AND EDUCATION

COMMITTEE ON APPROPRIATIONS

U. S. HOUSE OF REPRESENTATIVES

TESTIMONY OF WALTER MALAKOFF

EDUCATION AND TRAINING SPECIALIST

UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA, AFL-CIO

AND

ADMINISTRATOR, NATIONAL LABOR-MANAGEMENT
COMMITTEE FOR THE CUSTOM WOODWORKING INDUSTRY

May 1, 1990

Thank you Mr. Chairman for inviting me to testify today. I am Walter Malakoff, Education and Training Specialist for the United Brotherhood of Carpenters and Joiners of America. I also serve as the administrator of the National Labor-Management Committee for the Custom Woodworking Industry on whose behalf I testify today.

Our labor-management committee appreciates this opportunity to appear before the subcommittee in support of a program that was instrumental in the formation and success of our labor-management committee. That program is the Federal Mediation and Conciliation Service's Labor-Management Cooperative Grant program which assists in the establishment and operation of company-specific, public sector, geographical area and industry-wide labor-management committees. We believe the program is effectively serving the very important national objective of bringing together labor and management in improving the productivity of our industries and the work life of those employed in them. We, therefore, ask the subcommittee to give serious consideration to expanding the funding for the F.M.C.S. program.

Our committee - the National Labor-Management Committee for the Custom Woodworking Industry - was established in the fall of 1989 when seventeen industry employers and union representatives from across the country came together to begin addressing a broad range of industry issues. The industry we serve is a highly skilled one, manufacturing architectural woodwork for banks, hotels, restaurants, hospitals, retail stores, offices and custom homes. The work is done according to architectural specifications on a job-by-job, custom basis. The end products are ones in which both employers and skilled cabinetmakers can take a great deal of pride.

While labor relations in most areas of the industry are not generally highly confrontational (although on occasion they can be), and there are cooperative efforts in the area of jointly-administered training programs and benefit funds, there have not been either national, or effective local, labor-management committees in which this industry's problems can be thoroughly addressed. Labor relations are dominated by the short-term pressures of collective bargaining deadlines. The industry consists almost exclusively of small employers who have neither the time nor management personnel to help establish labor-management committees. As a result, long-term concerns are not addressed in a joint manner even though there is widespread agreement in the industry that such a forum is badly needed.

One obvious example is the lack of planning to ensure a continued supply of competent workers despite the industry's dependence on skilled cabinetmakers, the drying up of its traditional sources of workers, and numerous projections of a skilled worker shortage throughout the American economy. There is no joint labor-management effort to look at existing apprenticeship, upgrading, and recruitment efforts or to work with public school systems to improve the skills of students entering the industry.

Another area of long-term concern is safety and health. There has been a great deal of debate within the industry on OSHA's wood dust standard. Yet there has not been in-depth labor-management discussions on the effects on the industry, the health effects on workers, and technological controls.

A third area of mutual interest is the changes being brought about by the introduction of new technology, such as computerized saws and boring machines and high-speed molders and shapers, and competitive economic pressures. But again, there has been no forum for labor and management to discuss the implications of these developments in terms of job content and training.

Thanks to your previous appropriations, Mr. Chairman, all this is changing with the formation of the National Labor-Management Committee for the Custom Woodworking Industry. In the seven months since its inception, the committee has made significant progress in addressing and beginning to act on key industry issues and in laying the groundwork for local joint committees.

As a first step in addressing important manpower issues, the committee had Indiana University conduct a comprehensive survey of existing local joint industry apprenticeship programs, including their recruitment efforts, skill deficiencies among entrants, curricula, and placement and utilization of the apprentices. The survey results will be used in strengthening existing programs and establishing joint training in areas not currently served.

The committee has also thoroughly discussed OSHA's new wood dust standard and is exploring the possibility of having a comprehensive study done of health hazards and methods of control. This is the first time, to our knowledge, that labor and management have sat down and rationally discussed the new standards.

We also are currently drawing up guidelines for the establishment and operation of local industry joint committees. The local committees, whose formation and active involvement are a major objective of the national committee, are where we think much of the cooperative programs will actually be carried out. The industry is composed of thousands of small employers - the average firm employs only 10 to 15 workers - and it is unrealistic to believe that these employers will participate in a program operating solely at the national level. Already three local committees are in the process of being established. It is the national joint committee that will provide the direction and act as a resource for these committees.

There are no government statistics on the size or scope of the industry, a topic which is also a concern of our committee. We believe there are somewhere between 25,000 and 35,000 workers employed in custom woodworking, but it is only a rough estimate. The committee has begun its own survey of the industry, which we anticipate will be completed by year's end.

These are only some of the issues addressed by the national committee in its first four meetings; for us it is only a beginning. We are currently taking steps to become a permanent institution, completely self-funded within a year or two. We will accomplish this by encouraging local areas to support the committee through negotiated contributions.

While still in its infancy, the establishment of the National Labor-Management Committee for the Custom Woodworking Industry is being recognized as an extremely important initiative by industry employers and union leaders who have been very supportive of the effort.

The catalyst for the formation of this national committee was the Federal Mediation and Conciliation Service grant program. When it become known that F.M.C.S. would help fund and offer technical assistance to joint committees, the United Brotherhood of Carpenters called a meeting of key employers and local union representatives in the industry. The committee would not exist today without the F.M.C.S.'s support. All of our work and the progress we've made thus far would not have occurred.

Everyone today speaks of the need for greater labor-management cooperative efforts to make our industries more productive and competitive and workers' economic lives more secure. Those are precisely the objectives of the National Labor-Management Committee for the Custom Woodworking Industry and the goals fostered by the F.M.C.S. grant program.

In 1989, F.M.C.S. awarded grants totalling $1 million to 15 newly established industry, public sector, geographical and company-specific labor-management committees. This year, the F.M.C.S. will award $1 million to new committees and $400,000 to existing committees. Since 1981, the F.M.C.S. has funded 120 joint committees, the large majority of which continued to operate after grant funding had concluded. The grant budget, however, has not been significantly increased since 1981, a grave oversight which we believe should be corrected in light of the very positive results produced by the program's modest budget.

In our own case, with an F.M.C.S. first-year grant in the amount of only $78,500, we have a national committee up and running and local joint committees on the planning boards, all of which will make a real difference to the custom woodworking industry and those employed in it. Within the United Brotherhood of Carpenters, we hope to use our experience with this committee as a model for the other industries we represent. And we are only one of 15 committees funded in the 1989 grant year.

Our committee's future is jeopardized by the uncertainty of funding from F.M.C.S. for our second year. As I noted earlier, we hope to become financially self-sufficient within another year or two as we convince local areas to participate in a program and they begin making financial contributions. However, that process does not occur overnight and until we have a significant number of areas on board, we will remain dependent on the F.M.C.S. grant program. There are other worthy committees, as well, that simply cannot become financially self-sufficient in a short period of time. F.M.C.S. grants for new committees are for a twelve or eighteen month period. Increasing the grant program's funding would both allow joint committees a more adequate start-up period and would also allow additional committees to be funded. (F.M.C.S. is only able to fund slightly over a quarter of the proposals it receives.)

The F.M.C.S. has achieved results not through the creation of a large bureaucracy or a massive budget, but by doing what everyone says needs to be done - bringing labor and management together and letting them address the very real problems with which their industries are faced; and offering them initial funding to get the process started and technical assistance as needed. Indeed, we have searched the public record and can find no criticism anywhere of the F.M.C.S. labor-management program.

If labor-management cooperative efforts are in our national interest - and we believe they are - then a one and a half million dollar budget for this program is a very modest amount; in fact, it is simply not enough. More needs to be done.

This program is authorized to spend up to $10 million. Every year worthy proposals are rejected by the F.M.C.S. simply because of the lack of funds. Over two hundred worthy proposals from committees have been turned down by F.M.C.S. since 1981 because of the lack of grant funds. In addition, excellent programs which got off to a slow start are terminated before their roots are firmly planted. With a significant increase in appropriations a tremendous amount of good can be accomplished. We believe, Mr. Chairman, that when you examine the history of this grant program you will see something that is good for workers and industry across the nation and worthy of your support.

We also urge you to fully fund F.M.C.S.'s entire budget. In the woodworking industries and in many other industries, the agency provides valuable services to labor and management both in mediating disputes that exist and, through such programs as the Labor-Management Cooperative Grant Program, heading them off before they occur.

Thank you for this opportunity to present our views.

NORTHWESTERN architectural woodwork · commercial interiors

April 30, 1990

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health, &
Human Services and Education Committee on
Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Natcher:

I am co-chairman of the National Labor-Management Committee for the Custom Woodworking Industry, a joint labor-management committee that is addressing serious problems in our industry. I believe our committee is doing an excellent job. The committee was formed in September, 1989, and is serving a very valuable function in addressing and preparing a program in such areas as apprenticeship and training, recruitment, productivity, corporate labor-management relations, as well as other critical areas.

I am writing to you out of concern that the Federal Mediation and Conciliation Service grant program, which was instrumental in the establishment of our committee, may be eliminated. This would be a very serious mistake. In my opinion, the grant program should be expanded, not eliminated. Not only is the grant program critical to the establishment of labor-management committees such as our own, but additional money is needed to fund existing committees until they can become self-sufficient.

The grant program is effectively bringing labor and management together to address common problems, an important national goal. I would urge you to expand this valuable program.

Very truly yours,
NORTHWESTERN, INC.
CW Noecker
C. Wayne Noecker
President

CWN:pl

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Brochsteins Inc.

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April 27, 1990

Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health & Human
Services and Education Committee on Appropriations
U. S. House of Representatives
Washington, D. C. 20515

Dear Chairman Natcher:

At the present time, I am one of seven representatives of management serving as a member of the National Labor Management Committee for the custom woodworking industry. This committee which was organized in September of 1989, is the first time there has ever been any dialogue between representatives of labor and management with respect to serious issues which threaten the existence of our industry. This committee has thus far served a critical need in helping address issues such as apprenticeship and training, recruitment, productivity, health, and others.

I am very much concerned that the Federal Mediation and Conciliation Service grant program, which was instrumental in the establishment of our committee, may be eliminated. Based upon the enormous progress we have made in a very short time it would be a serious mistake to terminate this program. In this age of international economic competition, we in the United States have been accused of short-sightedness because of our lack of long term goals and the inability of labor and management to establish dialogue leading to more competitive products of higher quality. In view of this, it is my suggestion that the grant program be expanded rather than eliminated, it has been critical to the establishment of labor management committees such as ours and additional money is needed to fund these committees until such time as they can become self sufficient.

In view of the above, I hope you will agree that the grant program has been effective in bringing labor and management together to address common problems and I urge you to expand this vital program.

Very truly yours,

Raymond D. Brochstein
President

RDB/ph

LOCAL UNION No. 1027

United Brotherhood of Carpenters and Joiners of America

INSTITUTED AUGUST 12, 1881

RICHARD MERCATORIS
President

ROBERT WENGEL
Vice President

Business Office
Located at;

7800 W. Madison St.
River Forest, IL 60305
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WITOLD (VITO) SKORUPSKI
Recording Secretary

JAMES KASMER SR.
Financial Secretary

The Honorable William H. Natcher
Chairman, Subcommittee on Labor,
Health & Human Services and Education
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

April 27, 1990

Dear Chairman Natcher:

I am James Kasmer Sr., Representative of Carpenter Local 1027, which represents some 2,800 employees, most of which are in the custom woodworking industry. A National Labor-Management Committee for the Custom Woodworking Industry was recently (Sept. 1989) formed to research the extent of the industry, identify concerns of the industry and develope and reccommend and if possible estabilsh programs at a national level to set standards of skill, productivity, training, recruitment and harmonious relations between labor and management.

This Mr. Natcher is an attainable goal and the reason I write at this time to request that you and your committee not only continue your support of the Federal Mediation and Conciliation Service Grant Programs, but consideration should be given to expand these programs. In these times when we constantly hear about unfair foreign trade policies and some attention being given to the fact that the American worker not having the training and work ethic that is instilled in some foreign workers, I was quite shocked to hear that your Committee would even consider cutting funding to the F.M.C.S. Grant Program.

You must realize that in most cases that a national program could not get off the ground, must less keep going without funding. To get private concerns to begin funding, most want to review the track record and goals of the organization and this Mr. Natcher is where the F.M.C.S. grants play the important part in getting started.

I was asked to serve on the National Labor-Management Committee for the Custom Woodworking Committee and I know that we have made much progress in the meetings we have held. We have discussed the whole array of problems on both sides, narrowed the problems to about four or five that we can make visible progress on and begun to develope specifics and goals. This Mr. Natcher was not only made possible by commitment, but also by assistance from the F.M.C.S. in the form of guidance and grant.

Thank you for your consideration. I cannot over emphasize the importance of this program. If possible I would requset a reply to this correspondence.

Respectfully,

James Kasmer Sr.

Affiliated with the United
Brotherhood of Carpenters
and Joiners of America,
AFL-CIO

**Carpenters' District Council of Greater Saint Louis, AFL-CIO**

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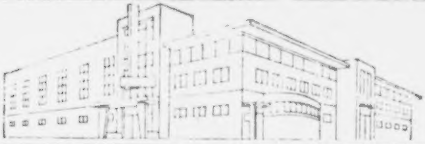

**Leonard R. Terbrock**
Executive Secretary-Treasurer

April 27, 1990

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health & Human
Services and Education Committee on Appropriations
U. S. House of Representatives
Washington, D. C. 20515

Dear Chairman Natcher:

I am a Business Representative with the St. Louis Carpenters' District Council and I serve on the National Labor-Management Committee for the Custom Woodworking Industry, a joint labor-management committee that is addressing serious problems in our industry. I believe our committee, which was just started in September of 1989, is serving a very valuable function in addressing and preparing a program in such areas as apprenticeship and training, recruitment, productivity, corporate labor-management relations, as well as other critical areas.

I am writing to you out of concern that the Federal Mediation and Conciliation Service grant program, which was instrumental in the establishment of our committee, may be eliminated. This would be a very serious mistake. In my opinion the grant program should be expanded, not eliminated. Not only is the grant program critical to the establishment of labor-management committees such as our own, but additional money is needed to fund existing committees until they can become self-sufficient.

The grant program is effectively bringing labor and management together to address common problems, an important national goal. I urge you to expand this very valuable program.

Sincerely your,

Glen M Jackson
GLEN M. JACKSON
Business Representative

GMJ:skp

opeiu #13

**MIELACH** **WOODWORK NORTHEAST**
A DIVISION OF
**MIELACH COMPANY**
MAILING ADDRESS: P.O. BOX 10058, NEW BRUNSWICK, NEW JERSEY 08906-0058
9 KILMER COURT, EDISON, NEW JERSEY 08817-2428
TELEPHONE (201) 287-1100 TELECOPIER (201) 287-9385

April 27, 1990

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health & Human
Services and Education Committee on Appropriations
U. S. House of Representatives
Washington, DC 20515

Dear Chairman Natcher:

I am President of Mielach Woodwork and I serve on the National Labor-Management Committee for the Custom Woodworking Industry, a joint labor-management committee that is addressing serious problems in our industry. I believe our committee, which was just started in September of 1989, is serving a very valuable function in addressing and preparing a program in such areas as apprenticeship and training, recruitment, productivity, corporate labor-management relations, as well as other critical areas.

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The grant program is effectively bringing labor and management together to address common problems, an important national goal. I urge you to expand this very valuable program.

Sincerely yours,

John T. Mielach
President

JTM:lf

JAFF BROS. WOODWORKS, Inc.

MANUFACTURERS OF ARCHITECTURAL WOODWORK AND BUSINESS INTERIORS

41-43 37TH STREET
LONG ISLAND CITY, N. Y. 11101
(718) 784-1477
FAX (718) 937-7036

April 27, 1990

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health & Human
Services and Education Committee on Appropriations
U. S. House Of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

I am the president of Jaff Brothers Woodworks, Inc. and I serve on the National Labor-Management Committee for the Custom Woodworking Industry, a joint labor-management committee that is addressing serious problems in our industry. I believe our committee, which was just started in September of 1989, is serving a very valuable function in addressing and preparing a program in such areas as apprenticeship and training, recruitment, productivity, corporate labor-management relations, as well as other critical areas.

I am writing to you out of concern that the Federal Mediation and Conciliation Service grant program, which was instrumental in the establishment of our committee, may be eliminated. This would be a very serious mistake. In my opinion the grant program should be expanded, not eliminated. Not only is the grant program critical to the establishment of labor-management committees such as our own, but additional money is needed to fund existing committees until they can become self-sufficient.

The grant program is effectively bringing labor and management together to address common problems, and important national goal. I urge you to expand this very valuable program.

Sincerely yours,

Jaff Bros. Woodworks, Inc.

Alvin M. Jaff
President

AMJ/lp

NM&S
NORTHWEST MILL & SUPPLY Co.
ARCHITECTURAL WOODWORKING & DESIGN

120 SO. LINCOLN AVE.
CARPENTERSVILLE, ILL. 60110
312 / [illegible]

27 Apr 90

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health & Human
Services and Education Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman/Dear Chairman Natcher:

I am President and I serve on the National Labor-Management Committee for the Custom Woodworking Industry, a joint labor-management committee that is addressing serious problems in our industry. I believe our committee, which was just started in September of 1989, is serving a very valuable function in addressing and preparing a program in such areas as apprenticeship and training, recruitment, productivity, corporate labor-management relations, as well as other critical areas.

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The grant program is effectively bringing labor and management together to address common problems, an important national goal. I urge you to expand this very valuable program.

Sincerely yours,

David L. Mengler, President

DLM:jas

✓ RECEIVED SENT
VIA TELEFAX
DATE: 4-30-90

*Dayton Showcase Company*

APRIL 30, 1990

THE HONORABLE WILLIAM H. NATCHER
CHAIRMAN, SUBCOMMITTEE ON LABOR, HEALTH & HUMAN
SERVICES AND EDUCATION COMMITTEE ON APPROPRIATIONS
U. S. HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

DEAR CHAIRMAN NATCHER:

I HAVE BEEN INVOLVED WITH THE NATIONAL LABOR-MANAGEMENT COMMITTEE SINCE SEPTEMBER 1989. I WENT INTO THIS A LITTLE BIT SKEPTICAL AS IT IS A JOINT LABOR-MANAGEMENT COMMITTEE WHICH THROUGH MY PAST EXPERIENCES HAVE NOT WORKED. THIS ONE IS WORKING. THE OPENNESS AND RESPECT FROM BOTH GROUPS HAS BEEN EXCELLENT. WE HAVE MADE GOOD INROADS IN SOLVING PROBLEMS IN OUR INDUSTRY WHICH CAN ONLY BE SOLVED WITH A COMMITTEE SUCH AS THIS.

I UNDERSTAND THAT OUR GRANT WILL NOT BE RENEWED. THIS WILL BE A WASTE OF THE ORIGINAL GRANT FUNDS AND OF OUR TIME SPENT THIS LAST YEAR. WE WILL NEED ANOTHER YEAR TO GET THIS COMMITTEE SELF SUPPORTING.

THIS PROGRAM NOT ONLY NEEDS TO BE CONTINUED, BUT EXPANDED. PLEASE CONSIDER MY REQUEST.

SINCERELY,

DAYTON SHOWCASE COMPANY

JOHN MOTHERSOLE
PRESIDENT
CHAIRMAN OF THE BOARD

***2601 West Dorothy Lane   Dayton, Ohio 45439***
***(513) 294-0321   Direct from Cincinnati 628-0043***
***Fax thru Main Number***

DISTRICT COUNCIL OF NEW YORK CITY AND VICINITY

**United Brotherhood of Carpenters and Joiners of America**

INSTITUTED AUGUST 12, 1881

**Paschal McGuinness**, President
**Irving Zeidman**, First Vice President
**Frederick W. Devine**, Second Vice President
**Francis J. P. McHale**, Secretary-Treasurer

204 East 23rd Street
New York, N.Y. 10010
Phone: (212) 686-3278

April 30, 1990

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health & Human
Services and Education Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman Natcher:

I am First Vice President of District Council of New York City and I serve on the National Labor-Management Committee for the Custom Woodworking Industry, a joint labor-management committee that is addressing serious problems in our industry. I believe our committee, which was just started in September of 1989, is serving a very valuable function in addressing and preparing a program in such areas as apprenticeship and training, recruitment, productivity, corporate labor-management relations, as well as other critical areas.

I am writing to you out of concern that the Federal Mediation and Conciliation Service grant program, which was instrumental in the establishment of our committee, may be eliminated. This would be a very serious mistake. In my opinion the grant program should be expanded, not eliminated. Not only is the grant program critical to the establishment of labor-management committees such as our own, but additional money is needed to fund existing committees until they can become self-sufficient.

The grant program is effectively bringing labor and management together to address common problems, an important national goal. I urge you to expand this very valuable program.

Sincerely yours,

Irving Zeidman

IRVING ZEIDMAN
Vice President

Millmen - Cabinetmakers and Industrial
Local Union No. 359

MARIO VENNERI
*President · Business Representative*

*MEETS THIRD WEDNESDAY OF EACH MONTH*

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA
1803 SPRING GARDEN STREET, PHILADELPHIA, PA 19130
(215) 569-1634

April 30, 1990

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health & Human
  Services and Education Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Natcher:

I am the Business Representative from the Mill and Cabinet Local 359 in Philadelphia, Pa and I serve on the National Labor-Management Committee for the Custom Woodworking Industry. Our committee was just started in September of 1989 and is serving a very valuable function in addressing and preparing programs in such areas as apprenticeship and training, recruitment, productivity, corporate labor-management relations, as well as other critical areas.

I am writing to you out of concern that the Federal Mediation and Conciliation Service grant program may be eliminated. This grant was an important role in establishing our Committee as well as other labor-management committees, and to eliminate it would be a very serious mistake. The grant program should be expanded because additional money is also needed to fund existing committees until they can become self-sufficient.

The grant program is effectively bringing labor and management together to address common problems, an important national goal. I urge you to expand this very valuable program.

Sincerely yours,

Mario Venneri
Business Representative
Local 359

MV:drg

Mr. **Barger**. Mr. Chairman, our organization in Kentucky does represent about 65 pile drivers. I am a pile driver by trade. We have several labor-management committees in the construction industry that we have funded. They include the Bowling Green area. We also are participating in an Owensboro, Kentucky Labor-Management Committee. It is a successful committee, which was funded initially in 1987 by an $80,000 FMCS grant.

Now they operate on a $160,000 a year self-generated budget. So, the potential is there if the funding for the initiative is in place. We would appreciate your assistance and the committee's assistance in developing this funding.

There are many areas, safety and health and cooperation, where it is necessary for us to develop more important labor-management cooperation in Kentucky and the Nation if we are going to look at our economic future.

Along these lines, we lobbied the Kentucky General Assembly and they established a $280,000 grant program in Hanson, Kentucky to attempt to fund some of the smaller committees. We are attempting to work at every level to fund this project.

We do believe, and I believe personally that the U.S. Government needs to participate, to share in developing labor-management cooperation. It would be unfortunate if more was not made available to fund these services.

I appeal to you and the committee to expand the grant program so that more joint committees may be funded adequately and they are coordinated in an inherent manner so each time we start one, we don't reinvent the wheel.

Thank you, sir, for your cooperation.

Mr. **Natcher**. Thank you very much. We appreciate the appearance before our committee of you gentlemen.

[The statement of Mr. Barger follows:]

**Kentucky State District Council of Carpenters**

AFL-CIO

STEVE BARGER
*Secretary-Treasurer/*
*Business Manager*

BEFORE THE SUBCOMMITTEE ON
LABOR, HEALTH AND HUMAN SERVICES
AND EDUCATION
COMMITTEE ON APPROPRIATIONS
U. S. HOUSE OF REPRESENTATIVES

TESTIMONY OF STEVE BARGER
SECRETARY-TREASURER AND BUSINESS MANAGER
KENTUCKY STATE DISTRICT COUNCIL OF CARPENTERS
AFL-CIO

May 1, 1990

340-2 — DEMOCRAT DRIVE • FRANKFORT, KY 40601 • 502-695-4555

Thank you Chairman Natcher for inviting me to come to Washington to testify today. My name is Steve Barger and I am Secretary-Treasurer and Business Manager of the Kentucky State District Council of Carpenters, AFL-CIO, located in Frankfort, KY. We represent 6,500 carpenters, millwrights, piledrivers and cabinetmakers in the construction, mill-cabinet, and related industries throughout the state.

I am a carpenter by trade, starting as an apprentice in the Louisville area and working my way up to construction superintendent. For the past fourteen years I have been a full-time union representative. I have served as business manager for the Greater Louisville Building and Construction Trades Council, and I currently serve on the Kentucky Board of Building, Housing, and Construction. Our District Council is part of the Louisville Area Construction Industry Labor-Management Committee and the Central Kentucky Construction Labor-Management Committee and I am co-chair of both committees. These labor-management committees are funded by a negotiated hourly contribution. A Carpenters' Union representative also serves on the Owensboro Labor-Management Committee. This successful committee, incidentally, was funded initially in 1987 by an $80,000 F.M.C.S. grant and now operates on a $160,000 a year self-generated budget.

In short, I have had experience both in construction and labor-management efforts.

Our 6,500 members include about 500 cabinetmakers in the custom woodworking industry and our Council participates in a jointly funded mill-cabinet apprenticeship training program. As you know, Chairman Natcher, Kentucky has a long and rich tradition of quality woodworking due to the fine hardwoods grown in our state. It is with interest that I have noted the establishment of a national labor-management committee in the woodworking industry.

We do not currently have a separate labor-management committee for the woodworking industry, but one is needed. On both a national and local level, we need long-term thinking and planning on the part of management and labor to address the problems facing this industry. Many employers and members have a short-term focus in the area of labor relations. In essence, they only want to know how large, or small, was the last wage settlement. We have young workers entering the industry who have little understanding of the industry, its economics or the craft. These workers are the future of the industry yet there is no real orientation to explain what responsible labor-management relations consist of and the importance of labor-management cooperation.

The industry faces a crunch in recruiting qualified workers. This is an area where labor and management could jointly go to our schools and explain to students the opportunities in entering the cabinetmaking trade. It is skilled work and you may take a great deal of pride in your work. It offers economic security, and because most firms are small, after sufficient training and experience, you often have the opportunity to operate your own shop. Yet this message is not being conveyed in the public school system.

Another area labor and management could jointly address is apprenticeship training and journeyperson upgrading. The industry is changing with the introduction of new technology and machinery. We need updated training both in our own apprenticeship programs and in woodworking classes in the public schools that truly meet the needs of the industry. No one, however, seems to be really looking at the quality and scope of training programs and how to upgrade them.

Labor and management can accomplish a great deal in this industry because they share a strong identification with, and pride in, woodworking.

What we must have is some overall coordination and an industry-wide program if local committees are to be successful. It is very difficult for local committees to do it all on their own, to develop orientation materials and programs for new workers, develop state-of-the-art apprenticeship programs, do comprehensive studies of the industry's manpower needs, and design promotional materials which may be used in public schools. That is why we are encouraged by the formation of the National Labor-Management Committee for the Custom Woodworking Industry and the direction it is taking. Working with that committee, we are optimistic that we can establish a cooperative industry program including Kentucky.

In another area, the Carpenters Union and several nationwide employers have agreed that there is a need for a national joint labor-management committee to review the critical safety and health care issues in the construction industry including the soaring costs of workers' compensation and health care.

In Kentucky, we look forward, as is our tradition in the construction industry, to working with our employers to address these common problems . But without coordination, we cannot solve these weighty problems. Approaching health care costs on a local or employer-by-employer basis simply will not effectively address this important concern.

Similarly, labor and management must come together to reduce injury and illness in the workplace. From the employer's standpoint, reducing injuries and illness makes economic sense since workers compensation costs have now soared beyond levels unimaginable even five years ago. Regardless of the economic costs, injuries and illness cannot be allowed to increase. Labor and management must come to terms with the problem and implement safety and health programs to reduce costs both human and economic.

These are but two of many such important issues that need addressing by our construction labor-management health and safety committee.

We are concerned that there will not be sufficient money in the F.M.C.S. labor-management cooperative grants program to help offset the start-up costs of committees such as our custom woodworking and construction safety and health joint committees. We are sure that once these committees obtain initial funding they will continue, primarily because the benefits of such cooperation soon become apparent to those involved. F.M.C.S. funding of labor-management committees provides a strong impetus to their formation.

We in Kentucky understand the importance of labor-management cooperation to our nation's economic future. The Kentucky General Assembly, I am pleased to report, just established a $280,000 program to help establish and provide assistance to joint committees throughout the state.

But the Federal government, I believe, must also share in furthering labor-management cooperation. It would be unfortunate if sufficient money was not made available to the F.M.C.S. to fund worthwhile initiatives. My appeal to you, sir, is to expand the F.M.C.S. grant program so more joint committees may be funded and funded adequately and coordinated in a coherent manner.

Thank you for your consideration.

TUESDAY, MAY 1, 1990.

## BIOMEDICAL RESEARCH

### WITNESS

### R. CLARK THOMPSON, ALEXANDRIA, VA

Mr. NATCHER. Our next witness is Mr. Clark Thompson. It is a pleasure to have you before the committee, and we will be pleased to hear from you.

Mr. THOMPSON. Thank you, Congressman Natcher and Congressman Pursell and members of the staff who have been hanging in here. I realize that I am the only obstacle between you and lunch. So I will come to the point.

I guess I would like to, before the point, thank Joanne Orndorff. I understand you have already heard testimony on the National Cancer Institute, which I would like to talk about a little today. I am here to urge you to take issue with the Administration and support the $2,400,000,000 that the National Cancer Institute has requested through their by-pass budget process. I am sure you are more familiar with what those words mean than I am.

I have a son who is being treated at Children's Hospital here in Washington, D.C. with cancer. Unfortunately, as I look around the room, probably all of you know what that means. You have had a friend, a family member, a colleague—I heard Spark Matsunaga's name mentioned—who has either suffered from cancer or died from cancer. The statistics are shocking.

There will be 1,000,000 more people diagnosed this year with cancer. Up to 10,000 of them, if you believe the statistics at St. Jude's Hospital, will be children. Fortunately, 60 or 70 percent of those kids are surviving beyond 5 years.

My message to you and to your fellow Congressmen, and I hope you will take it to them, is that there is an unprecedented opportunity that we face today in medical research. I have talked to doctors at Georgetown University where I work, doctors at the National Institutes of Health, Children's Hospital, they all sing the same refrain and that is that through new knowledge, there are new opportunities, particularly in molecular biology, to really understand what goes wrong with the cell and the most fundamental levels that turns it from a normal cell into a cancer cell and causes this terrible growth that oftentimes ends in death.

Unfortunately, they also have another refrain, and that is that the funding is inadequate. In 1971, I understand NCI was able to fund 50 percent of the grants that they approved. These are peer review approvals. The figure in 1990, depending on who you believe, a doctor at Georgetown told me it was 12 percent.

I believe someone testified here from the National Coalition of Cancer Groups, who used the figure 27 percent. Obviously, it is much, much smaller, given the opportunity that is out there to do significant research.

The Children's Cancer Study Group that my son is a member of, includes 20,000 kids being treated throughout the country for cancer; three years ago, they applied to NCI for an increase in their budget, and they won.

To date, they have received not $1 of that increase. They are receiving the same flat funding they got three years ago. What I am saying is that these are the winners. They have gone through peer review, competing with other groups, the grant recipients that are getting money from NCI are the best research and the winners are only getting 12 to 27 percent and are being maintained on a flat plateau.

I think it is a sad state of affairs in this country when that happens, especially when I have heard one doctor say we will look back at this 10-year period as the golden age of cancer research.

Congressman Natcher, you and your fellow committee members certainly have awesome power. You can change this. I am grateful for the past support that you have given. I have looked at the way the appropriation has gone up to the National Cancer Institute, not what they requested, but there have been increases.

I know personally what good research means. I caught Congressman Conte as he was going out the door. He said, "I was at the White House." I mentioned I was going to testify about the NCI budget.

He said, "I have been talking to them and telling him NIH is going to hell in a hand basket." That is a pretty good summary of some of the things I have heard from doctors about bringing in new staff people at this time when there are such opportunities.

I appreciate the chance to talk to you all. I hope each one of you will give personal leadership to the full funding of $4,200,000,000 that they are asking for in the NCI budget this year.

Mr. NATCHER. Thank you, Mr. Thompson. You have made an excellent statement. We appreciate your appearance before the committee.

This concludes the hearings on the bill that appropriates the money for the Departments of Labor, Health and Human Services, and Education, and Related Agencies. It requires weeks of hearings, and we hear hundreds of witnesses before we conclude these hearings.

From time to time, we have visitors here in this committee room that commend the subcommittee on the excellent manner in which the hearing are being held. The hearings on our subcommittee are held in an excellent manner due to the fact that we have an outstanding staff.

We have on our staff Mike Stephens, Bob Knisely, Sue Quantius, Joanne Orndorff, Chris Leinneweber, Mark Mioduski. These are the people who work diligently, not only the daytime, but at night assisting us on the subcommittee so we can conduct the hearings, have the hearings recorded and place the bill in a position where we can take it to the full committee and have the full committee accept it, and then on to the House of Representatives on final passage.

We have 13 subcommittees of the full Committee on Appropriations. No subcommittee of the full Committee on Appropriations has a better staff than we have on this subcommittee. I serve on three subcommittees. I have been a member of the Appropriations Committee now for a little over 35 years.

When I become a member of this subcommittee, I sat right at the tail end of the dais. When we held our hearings each day and our bills were presented, when I would walk out, I would almost have a crick in my neck, because I had to look way down the line to see the big chairman. I sit next to him now. I am number two. It required 35 years to move from the bottom of the committee on up to the number two position on this committee.

I want to thank the staff. They know a lot more about this bill than we do on this subcommittee. This bill means everything in the world to these people. I want all of them to know that we appreciate it. We don't thank them enough on this subcommittee.

I say that on the record, for their service. We have people who say to us, "How can you take a bill that contains a little over $600,000,000,000 of the total budget—" think about it, the total budget is easy to remember this year—one, two, three—it is $1,230,000,000,000. "How can you take about $600,000,000,000 of it and put it through a subcommittee, bring out a bill?"

Well, it would be—Mr. Pursell and other members of this subcommittee would tell you, it would be absolutely hopeless for us to try without the excellent assistance of our staff. We want to thank all of them for their diligence and for the excellent manner in which they have worked with us on the hearings on this bill for the fiscal year 1991.

In addition to that, you know, this bill has to be reported. It has to be actively reported. Our hearings are then presented and bound, and then we go to the full committee.

We want to thank Geri Lyda and the other reporters who have worked with our committee for the excellent manner in which these hearings have been reported. The test of it is to just read the hearings. Take a look at the hearings and you will see the excellent manner in which it has been reported. We want to thank all the reporters who worked with our subcommittee to assist us with this bill.

We have worked hard on this bill, and we say to anyone who will listen to us, if you take care of the health of your people and educate your children, you will continue living in the strongest country in the world.

As I have said on a number of occasions, Mr. Pursell and you have heard me from time to time, I have been here in the last nine and a half years when we have appropriated $2,350,000,000,000 for defense in the last nine and a half years.

During that time, $199,000,000,000 only for education. Now is the time, the peace budget, as they call it, the calendar year of 1990, now is the time that this bill should come out of this subcommittee the best bill, the best bill ever reported.

Again, closing out the hearings, I want to thank all of the staff, all of those who placed us on this subcommittee in a position where we can now mark the bill up and report it. We want to thank all the reporters, all of them, who have appeared with us in the subcommittee to help us put this record in a position where we can then report the bill.

Mr. Pursell?

Mr. **Pursell**. On behalf of Sil Conte and the members on our side, we want to thank you, and especially the staff. I agree 100 percent that it is a great staff. Without them, we would be in deep trouble. I think the staff and the members are especially proud of this chairman, the greatest chairman in the House of Representatives that I have ever served. It is an honor to serve with him.

I think I can speak on behalf of the staff and colleagues on both sides of the aisle about what a great national leader that we have, who is enjoyable and fun. I have had to fill in for Mr. Myers because of a family house problem on Energy and Commerce, and I could not be here every day. But I want to say that it is a great honor to serve on this committee with a great national leader, Mr. Natcher.

Thank you.

Mr. NATCHER. Mr. Pursell, I want to thank you for your statement.

For those of you here in the committee room who have heard our statements in closing out the hearings, I want you to know, of the 13 subcommittee's members, and you see the names up here, we are all friends. We work together. When we finish the hearings, after the staff has consumed considerably more hours and more time to help us place the bill in a position where we mark it, we sit at the same table where you witnesses appear and we then mark the bill up.

We have never had a roll call vote on this subcommittee at any of our mark-ups. We don't need roll call votes. We are all friends. This is our country and our money. We sit there in agreement. When we walk out the door, we are in agreement. That is the way it should be.

We want to thank all of the staff and all the members of the subcommittee. The committee will now adjourn subject to the call of the Chair.

[The following statements were submitted by individuals and organizations who were unable to attend the hearings:]

RP
Research
RETINITIS
INTERNATIONAL
PIGMENTOSA
Service
*"Fighting Blindness"*
P.O. Box 900, Woodland Hills, CA 91365 – 1 (800) FIGHT RP

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Doctor & Mrs. Robert Docter
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Mr. & Mrs. David Doyle
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Mr. Jamie Farr
Ms. Farrah Fawcett
Mr. Jim Foster
Mr. Marcus Fontaine
Mr. & Mrs. Dominic Frontiere
Ms. Marlene Garcia
Mr. Danny Goodman†
Mr. Larry Hagman
Dr. & Mrs. Armand Hammer
Mr. Robert Harris
Mr. Dennis Holahan
Ms. Loretta Swit Holahan
Mr. Ed Hookstratten
Mr. Bob Hope
Mr. Marty Ingels
Ms. Shirley Jones Ingels
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Mr. & Mrs. Jack Jones
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Mrs. Ferdinand Mendenhall
Mr. Sylas S. Meyer†
Mr. & Mrs. John Meyers
Mr. & Mrs. Alan Moskowitz
Mr. & Mrs. Stuart Nomm
Mr. Pat O'Brien†
Mr. Kevin O'Connell
Mr. Fred W. O'Green
Mr. & Mrs. Peter O'Malley
Ms. Bibi Osterwald
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Mr. Herb Steinberg
Mr. & Mrs. Sanford Sykes
Mr. Tony Thomopoulos
Ms. Anne Tilchin
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April 25, 1990

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## RP INTERNATIONAL REQUEST TO CONGRESS

In 1972, the two sons of Helen Harris were diagnosed with Retinitis Pigmentosa. This began a 17 year movement that has been persistent and fruitful. The National Eye Institute now reports that 10 million people have sight loss so impaired that their are unable to read . the cost of this to our country is 14 billion dollars. Among these patients are children, adults, and elderly people suffering from degenerative eye diseases. Retinitis Pigmentosa, Macular Degeneration, Lawrence Moon Bidel Syndrome, Battens Disease, and Ushers Syndrome to name a few. These diseases have a major impact on the lives of not only children, but their families, educators, and friends. The world becomes darkened at an early age.

Children with RP have 20-20 vision, but can be legally blind. The school testing is inappropriate, and cannot detect RP in youngsters. Sometimes children with RP are thought to be awkward, clumsy, or have bad conduct. Frequently, they appear to be on drugs. Later, they become high risk drug and alcohol users since peer pressure is so

RP INTERNATIONAL REQUEST TO CONGRESS (CONTINUED)

Frequently, they appear to be on drugs. Later, they become high risk drug and alcohol users since peer pressure is so intense. Children and young adults with RP in an attempt to be "like everyone else" are more vulnerable to drug and alcohol abuse and these issues are being addressed by RP International alone.

The need for funding and education for the diseases connected with degenerative sight and hearing losses are immediate. While funding goes to other nations for a variety of causes and whole serious funding goes to AIDS and other diseases in our country, the "seeing blind" go unnoticed. The problems begin at a young age and night blindness is one of the very first symptoms. Stumbling and awkwardness are others. These are determined to be "normal" and so go uncared for for years. Children need special attention in learning what the disability of night blindness really is to prevent serious injury. Parents and teachers need also to understand that these are not "bad" children, but children who just do not see like others. Youngsters with Ushers Syndrome learn to read lips and do sign language and get devastating news of going blind in their teens. It is a crushing blow to all concerned and they come to RPI for help.

RP INTERNATIONAL REQUEST TO CONGRESS (CONTINUED)

At RP International there are human services provided including a facility at the California Medical Center at Hope and Grand Streets in Los Angeles. It is the first facility of it's kind ever. Here, families can come for one on one counseling for immediate needs of literacy (since reading skills disappear) and the first ever attempt to deal with alcohol and drug abuse problems among the visually impaired. Large print books, materials, and tapes are of urgent need and so are volunteer readers and drivers. People with RP and other sight losses are "prisoners in their own homes". Loneliness becomes another major symptom of the disease.

RP International is requesting the National Eye Institute to put immediately into the Retina Tissue Transplant Research Fund five and one-half million dollars to be distributed to four major Universities. These include the UCLA RP International Retina Tissue Transplant Fund, the Columbia University RP International Retina Tissue Transplant Fund, The University of Washington RP International Retina Tissue Transplant Fund, the University of North Carolina RP International Retina Tissue Transplant Fund.

April 25, 1990

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RP INTERNATIONAL REQUEST TO CONGRESS (CONTINUED)

These funds could accelerate research significantly so that human trials with transplant of photo receptor cells could be implemented within the next 3 years instead of the next 15 years. This could mean the sight saving of millions of young adults immediately.

The human service efforts of RP International include and need to:

1)Disperse information to pediatricians, ophthalmologists, and educators across the nation. It would be helpful to disburse information on how to "properly" test for oncoming blindness in children and young adults, and also to provide the same for aging people. Ongoing social services for the elderly is important because sometimes they are alone for months without even a phone call from anyone to see if they need something from the store or if the bills or other important matters need to be taken care of. Elderly people who are blind sometimes cannot even read their own prescriptions.

2) Transportation and equipment for youngsters with RP and other sight losses are imperative.

RP INTERNATIONAL REQUEST TO CONGRESS (CONTINUED)

For example, talking computers could make the difference in accelerating the educational IQ of children with RP and other sight losses, and yet these pieces of equipment are donated to schools, and thought not to be important enough to be presented to every single individual in the nation whose sight is so severely impaired that they cannot read. The ownership of the smallest computer with talking speech could reverse the loss of reading significantly in every single individual. For example, a talking computer could be adjusted to download the daily newspaper into it, and thereby, having the talking screen actually read the newspaper to every owner of a PC in the United States. It is the belief of RP International that devices for the visually impaired should be provided by private insurance and by federal funding. For example, if a youngster or a senior were sent to a hospital for a prosthetic device because of removal of a leg or another dismembered part of the body, it would be provided and cared for by an insurance carrier.

RP INTERNATIONAL REQUEST TO CONGRESS (CONTINUED)

However, when sight loss is diminished and often blindness occurs, there are no insurance carriers to provide replacement parts, such as "talking computers", "talking equipment" and other aids and appliances which help restore vision temporarily or permanently, however, these restorations are "electronic". It is felt by RP International that this is a flagrant discrimination against the right of people with eye diseases because the insurance companies today consider these devices to be "gadgets", when in reality they replace vision.

RP International is seeking social service programs in every single state for the blind and partially sighted. Many comments and complaints come to RP International on the 1-800-FIGHT RP number daily as students try to get services from the local departments of rehabilitations with one frustrating event after another occurring on a very regular basis.

RP INTERNATIONAL REQUEST TO CONGRESS (CONTINUED)

It seems to be the opinion on the visually impaired community-all 10 million of them that the rehabilitation departments are set up to "block" the approval of aids, appliances, and devices which would make life better, to provide transportation and readers, and to do anything about "social life" for visually impaired or disabled people. Presently, there are no known drug and alcohol abuse programs for visually impaired people in the State Department of Rehabilitation in any city in the United States.

RP International has made a personal presentation to President George Bush on February 7, 1990, and received approval from the President to get help in 2 areas:

1) Accelerated research funding particularly in the area of the Retina Tissue Transplant.
2) A better human service program so that parents could read to their children who are blind, and also that blind parents could have the luxury of reading to their children in their "own way" which would be electronically.

RP INTERNATIONAL REQUEST TO CONGRESS (CONTINUED)

To quote President Bush, "I have made great inroads in negotiating with Mr. Gorbachev, and I have been able to do much to reduce taxes, so I firmly believe that I can be of great help in accelerating research funds to research programs regarding the Retina Tissue Transplant and degenerative eye diseases and to accelerate human service programs to help deliver parents of blind youngsters from ongoing frustrations in teaching their children and to develop better human service programs around the nation for visually impaired people." President Bush has made a historic move to deal with the degenerative eye diseases in a way which no other President has done in the past.

"Forgotten Eyes" is a record recorded by Bob Hope, Smokey Robinson, Patti LaBelle, Dionne Warwick, Sammy Davis Jr., Marilyn McCoo, Billy Davis, Steve Allen, Charlton Heston, Angie Dickinson, Barbara Eden, and George Burns, a name a few of the hundred of celebrities who are part of the song to end blindness. "Forgotten Eyes" is the vehicle which could be used by the citizens of the United States to help their visually impaired neighbors to have a better quality of life.

RP INTERNATIONAL REQUEST TO CONGRESS (CONTINUED)

In the meantime, RP International is requesting that all citizens get involved with "blind neighbors" and to provide "see for two" services for their visually impaired neighbors, relatives, and friends.

We look forward to presenting this proposal in person to special sessions with the President and the highest offices in our land.

NDSS

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## NDSS DOWN SYNDROME RESEARCH PROGRAM

In 1980 the National Down Syndrome Society hosted a scientific retreat that brought together fourteen world-renowned scientists to help the Society develop a protocol for the support and advancement of scientific research into the causes and amelioration of Down Syndrome.

It was agreed that NDSS should develop a two-pronged science program: (1) to establish a science scholar award program to support outstanding young scientists and to encourage them to make Down Syndrome research their life's work, and (2) to sponsor scientific symposia which would focus on topics of special relevance to the genetic disorder.

A Science Advisory Board was formed to assist NDSS in establishing this important scientific agenda. Today the members of this Board are: Dr. Charles Epstein, Professor of Pediatrics and Biochemistry at the University of California at San Francisco, Chairman; Dr. Joseph Coyle, Director of the Division of Child Psychiatry at John's Hopkins Medical Institution in Baltimore, Maryland; Dr. Ernest McCoy, Professor of Pediatrics at the University of Alberta in Edmonton, Canada; Dr. Lynn Nadel, Professor of Cognitive Science, Department of Social and Behavorial Sciences at the University of Arizona in Tucson and Dr. David Patterson, President of the Eleanor Roosevelt Institute for Cancer Research in Denver, Colorado.

In 1983 the Science Scholar Award Program was established. This program, which provides a salary stipend of $25,000 a year for two years to each recipient, fills an unmet need in the research community. It provides funds for young scientists at a critical time in their career when they are dependent on funding for their research and few funds are available for their work.

Awards have been given to Dr. Terry Hassold, an epidemiologist at the University of Hawaii; Dr. Pat Levitt, a neuroscientist at the Medical College of Pennsylvania; Dr. Evelyn Devine, a molecular biologist at the New York State Institute for Basic Research in Developmental Disabilities; Dr. James Geddes, a neurobiologist at the University of California at Irvine; Dr. Robert Hards, geneticist at the Eleanor Roosevelt Institute for Cancer Research; and Dr. Rachael Neve, geneticist at Harvard Medical School/Children's Hospital; Dr. Fiona Funderburg, a cellular biologist at the Medical College of Wisconsin and Dr. Julie Korenberg, a molecular biologist at Cedars-Sinai Medical Center in Los Angeles.

At the present time NDSS awards three grants for a total of $75,000 per year. Currently, Dr. Michael Mauk, a neuroscientist at the University of Texas Health Sciences Center, is studying the cerebellum and its effects on motor function and mental retardation. Dr. Chung I Wu, a geneticist at the University of Rochester, is studying the causes of non-disjunction or why there is an extra number 21 chromosome. In 1989, for the first time, NDSS awarded one of its scholar awards to a psychologist, Dr Anne Fowler of the Haskins Laboratory in New Haven, who will be studying speech and language deficits of people with Down Syndrome.

The second aspect of the NDSS Science Program is to sponsor scientific symposia concerned with issues of special relevance to Down Syndrome. These topics include the molecular structure of the twenty-first chromosome, the neurobiology of Down Syndrome, Alzheimer's disease, oncology of Down Syndrome with emphasis on childhood leukemia the immune system with special emphasis on respiratory problems experienced by people with this genetic disorder, the broad problem of mental retardation, and non-disjunction which results in an extra chromosome.

On November 15 and 16, 1984 the first NDSS sponsored science symposium was held in New York City. Twenty-five internationally known molecular geneticists convened to discuss the structure of the twenty-first chromosome and the implications for Down Syndrome. This meeting was chaired by Dr. George Smith, co-author of the Down's Anomaly. The proceedings of this meeting, the first of its kind in the world, were published by the New York Academy of Sciences in 1985.

On November 14 and 15, 1985 the second symposium entitled, "The Neurobiology of Down Syndrome," was held in New York City under the chairmanship of Dr. Charles Epstein of the University of California at San Francisco. Twenty-five world-famous neuroscientists convened to discuss the questions of the linkage between Alzheimer's disease and Down Syndrome and how the brain impacts on this disorder. More than 30 media representatives covered the meeting and articles have appeared in Science, Science News, Psychology Today, and many other prestigious newspapers and magazines, as well as on radio and television. The proceedings have been published by Raven Press.

The third symposium, which examined the oncology and immunology of Down Syndrome, was chaired by Dr. Ernest McCoy and Dr. Charles Epstein in December, 1986. At that meeting one of the participants, Dr. Alvin Zipursky, reported his new finding that children with Down Syndrome suffer from a rare form of leukemia called acute megakaryoblastic leukemia, which occurs 400 times greater in the Down Syndrome population. The form of treatment is different from that used in other types of childhood leukemia, which is of great importance for children with this illness. The proceedings have been published by Alan R. Liss Inc.

In December, 1987, the Society hosted its fourth symposium on the psychobiology of Down Syndrome. This meeting focused on topics concerning learning, memory and motor function, and the potential of the individual with Down Syndrome. Articles appeared in the New York Times, Newsweek, etc., and NBC aired a national news feature. MIT Press published the proceedings.

In December of 1988 the fifth symposium was held which looked at the causes of non-disjunction or why there is an extra number 21 chromosome. Alan R. Liss published the proceedings.

The sixth meeting in December, 1989 focused on the mapping of the number 21 chromosome and the implications Down Syndrome. Chromosome 21 is the first chromosome to be mapped and is a prototype for the federally funded genome mapping project. Alan R. Liss is publishing the proceedings.

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The impact of our science program is extensive and is being felt around the world. Through our symposia scientists are sharing their work with each other, developing new relationships and examining new directions which hopefully will bring them closer to their goals.

The science scholars are remaining in the field of Down Syndrome and are devoting their life's work to this very important research. One of the exciting results of this program was the international acclaim received by Dr. Rachael Neve in February, 1987 for isolating and cloning a gene on the number 21 chromosome that is believed to cause Alzheimer's disease which is linked to Down Syndrome.

For the public at large, this research has many important ramifications:

. If we can discover and treat the causes of Down Syndrome, not only will it have an effect on that one in every 800 births which is a child with Down Syndrome, but also on the large number of miscarriages experienced by women of all ages.

. If we can find out the causes and/or treatment of Alzheimer's disease which pathologically affects every person over age 35 with Down Syndrome, we will hopefully have the answers to Alzheimer's disease which also affects older adults in the general population.

. If we can find the causes and/or treatment of childhood leukemia, it will affect both children with Down Syndrome who suffer from this illness, and children in the population at large who are affected by this lethal cancer.

. If we can find the causes of mental retardation, the impact will be felt not only on children with Down Syndrome, but on the many other children and adults born with this problem.

Our research program is crucial, especially in this time of decreased government spending in basic research. The goal is to answer the many questions posed by Down Syndrome which affect this special population and the population at large, so that one day soon the causes and amelioration of this genetic disorder will be identified, preventive programs initiated, and treatments successfully developed and instituted.

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I would like to support the research program sponsored by the National Down Syndrome Society. Enclosed is my tax deductible contribution of $________.

Name ________________________________________
Address ______________________________________
City, State, Zip ________________________________

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## BACKGROUND

The National Down Syndrome Society was established in 1979 to deal with the multifaceted questions related to Down Syndrome. The major goals of the agency are to promote a better understanding of Down Syndrome and the potential of the person with Down Syndrome, to support research about this genetic disorder, and to provide services for families and individuals.

During its brief history NDSS has focused on disseminating accurate, up-to-date information on Down Syndrome to parents and professionals. To accomplish this the Society has produced a public information packet including a booklet entitled "This Baby Needs You Even More," which is supplemented by a bibliography of reading materials and a series of fact sheets. A list of parents groups and early intervention programs in each state is also available. Over 150,000 copies of this material in both English and Spanish have been distributed. In addition, a 25 minute videocassette about the child with Down Syndrome ages birth to six, entitled "Gifts of Love," is available on a loan basis. A newsletter, "National Down Syndrome Society Update" is also published.

In 1983 NDSS began to actively support research into Down Syndrome by making a science scholar award available to promising young scientists who are involved in innovative research in either basic or applied fields that are related to Down Syndrome. Currently three researchers are being supported with two year grants of $25,000 per year. We know that the scientific tools to uncover the answers are now available; it is the hope that by offering these research awards the Society will encourage promising young investigators to utilize their skills in areas which are closely aligned with the kind of research that is necessary to solve the mysteries of Down Syndrome.

In 1984 NDSS began the sponsorship of an annual research symposium, which brings together the foremost international scientists. They discuss their research in the hope of moving science forward toward new breakthroughs in the search for the cause and amelioration of Down Syndrome and related concerns such as leukemia and Alzheimer's disease, and a cure for mental retardation. The proceedings of the symposium on the molecular genetics of Down Syndrome have been published by the New York Academy of Sciences, the proceedings of the second symposium about the Neurobiology of Down Syndrome and Alzheimer's disease by Raven Press, "The Immunology and Oncology of Down Syndrome" by Alan R. Liss, "The Psychobiology of Down Syndrome" by MIT Press, and "Molecular and Cytogenetics of Non-Disjunction" by Alan R. Liss. The December, 1989 meeting focused on the mapping of the number 21 chromosome and Down Syndrome, and the proceedings are being published by Alan R. Liss.

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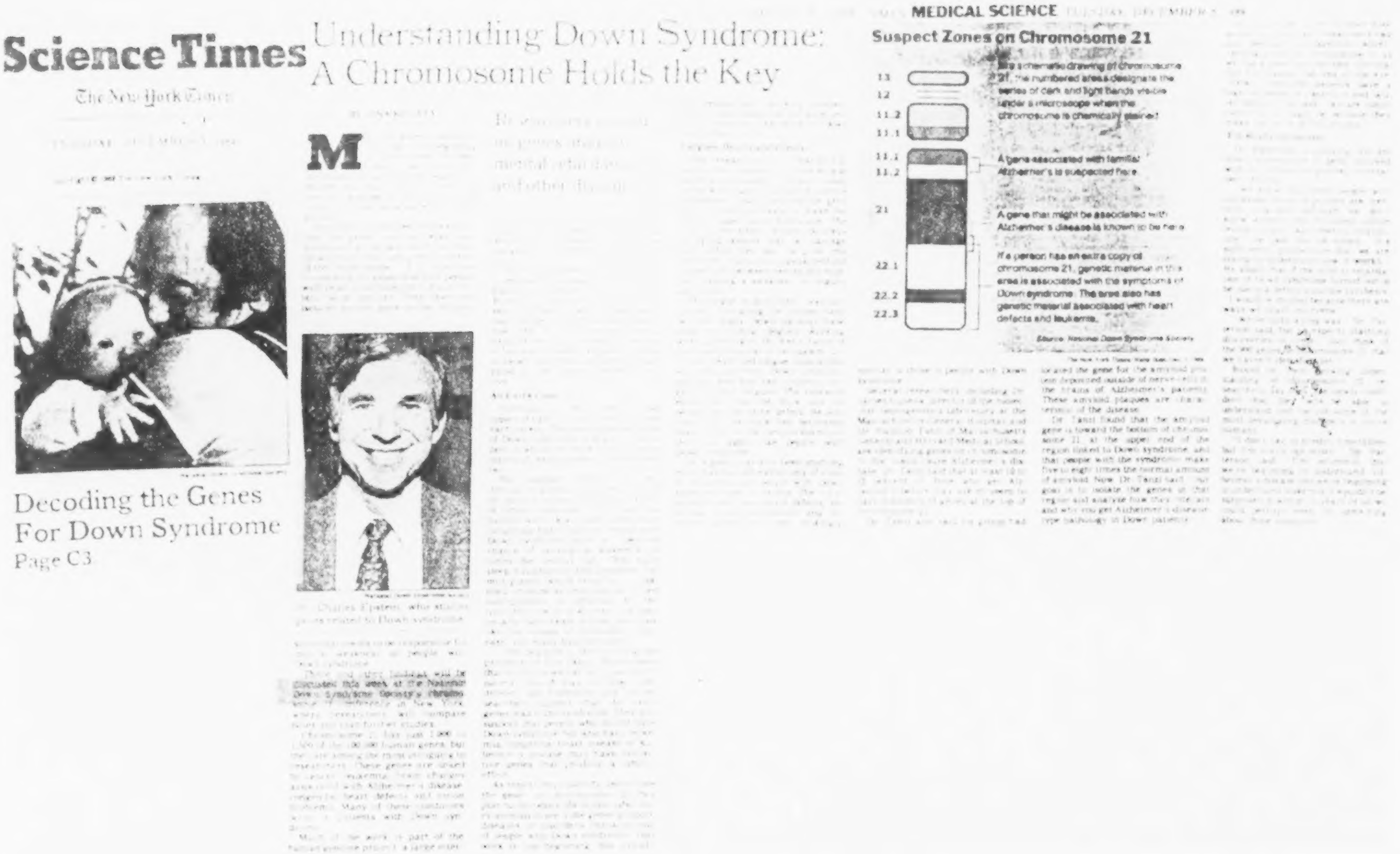
An 800 "hotline" is available at all times to parents, relatives, professionals and interested individuals. The hotline enables people to receive information, referral to resources thoughout the country, and to ask questions of interest to them, their families, etc.

Because of the need to address specific areas of concern among families with Down Syndrome, NDSS has initiated several pilot demonstration programs including a respite program, an education mainstreaming project, and a home-based computer education program. Materials have been developed so that local groups can replicate the programs in communities across the country.

Of course, all this can only happen if the Society succeeds in raising funds. Toward this end, NDSS will continue to look to foundations, corporations and individuals for support to help solve the anomaly of Down Syndrome.



**Science Times**

The New York Times

# Understanding Down Syndrome: A Chromosome Holds the Key

Decoding the Genes For Down Syndrome

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Dr. Charles Epstein, who studies genes related to Down syndrome.

These and other findings will be discussed this week at the National Down Syndrome Society's chromosome 21 conference in New York, where researchers will compare notes and plan further studies.

Chromosome 21 has just 1,000 to 1,500 of the 100,000 human genes, but they are among the most intriguing to researchers. These genes are linked to cancer, leukemia, brain changes associated with Alzheimer's disease, congenital heart defects and immune problems. Many of these conditions occur in patients with Down syndrome.

Much of the work is part of the human genome project, a large inter-

**MEDICAL SCIENCE**

## Suspect Zones on Chromosome 21

In a schematic drawing of chromosome 21, the numbered areas designate the series of dark and light bands visible under a microscope when the chromosome is chemically stained.

A gene associated with familial Alzheimer's is suspected here.

A gene that might be associated with Alzheimer's disease is known to be here.

If a person has an extra copy of chromosome 21, genetic material in this area is associated with the symptoms of Down syndrome. The area also has genetic material associated with heart defects and leukemia.

Source: National Down Syndrome Society

located the gene for the amyloid protein deposited outside of nerve cells in the brains of Alzheimer's patients. These amyloid plaques are characteristic of the disease.

Dr. Tanzi found that the amyloid gene is toward the bottom of chromosome 21, at the upper end of the region linked to Down syndrome, and that people with the syndrome make five to eight times the normal amount of amyloid. Now, Dr. Tanzi said, "our goal is to isolate the genes in that region and analyze how they interact and why you get Alzheimer's disease-type pathology in Down patients."

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**RFLPs Make Down Syndrome a Little Clearer:** A cure for Down syndrome or a way to prevent it is nowhere in sight yet. However, RFLPs (restriction fragment length polymorphisms) techniques are beginning to make it possible to focus on the basic molecular biology involved in this genetic disorder. This may open up ways of coping with the syndrome at some future date. For starters, recent experiments show that in 19 out of 21 instances of Down syndrome studied, the abnormality originated in the mother, not the father, *GTN* heard from Terry Hassold of Emory University at the twelfth annual National Down Syndrome Society Symposium in New York last month.

Down syndrome is the most common form of mental retardation. It occurs in about 1 of every 800 births. It is one of a number of different disorders caused by abnormalities involving extra chromosomes. Each cell in the body of an individual with Down syndrome contains an extra copy of chromosome 21. Standard complement of chromosomes per human cell is 23 pairs of chromosomes. A chromosome contains DNA making up thousands of genes plus a great deal of extra DNA whose function, if any, is unknown.

The extra chromosome in a person with Down syndrome originates in one of the parents' germ cells -- the mother's egg cell or the father's sperm cell. These cells differ from other cells in the body in that they contain only half of the normal complement of chromosomes -- so that when they combine, the resulting fertilized egg cell contains the full complement. During the last few cell divisions leading to their formation, germ cells undergo a certain number of recombinations in which chromosomes are paired and then unpaired. During this process crossing-over may take place. Part of the DNA from one chromosome may exchange with that of its mate.

Failure of chromosomes to pair is one cause of the fertilized egg cell's receiving the extra chromosome 21. But Hassold's study indicates that crossing-over is probably involved too. The experiments showed that it occurred in 4 of the 19 cases where Down syndrome originated in the mother.

RFLPs make it possible to identify slight differences in DNA (polymorphisms) among individuals and sometimes to pinpoint abnormalities in the DNA. Polymorphisms can be detected by digesting DNA with a restriction enzyme, which cuts it at specific sites. Gel electrophoresis sorts the fragments according to length. DNA probes can detect a fragment of abnormal length. If a DNA abnormality is found close to some portion of the DNA of interest, such as a gene, it can serve as a marker to help pin down the location of the gene on the chromosome.

Using this approach, Aravinda Chakravarti and coworkers at the University of Pittsburgh find not only that multiple recombination events take place in Down syndrome, but also in ovarian teratomas.

These are growths, mostly benign, whose cells have an entire set of extra chromosomes. The mechanisms that gives rise to this abnormality may be the same as the one that causes Down syndrome. Chakravarti is also trying to differentiate abnormalities in the chromosomes themselves from those on centromeres -- the DNA sequences that link chromosomes together.

Preliminary data reported by Patricia Jacobs of Britain's Salisbury General Infirmary indicate that some of the mistakes that give rise to the extra sex chromosomes that occur in some people are the same as those that bring about Down syndrome. About [illegible]0% of the sex chromosome mistakes are due to excess recombination, especially near the centromere.

Research on Down syndrome may also be useful in learning more about certain other disorders caused by abnormal chromosomes. It could also be helpful in learning more about other disorders that Down patients develop with a greater frequency than normal people. These include congenital heart disease, leukemia, and Alzheimer's. Individuals with Down syndrome also age more rapidly than other people. However, making connections among these conditions will not be easy. So far, it has not been possible to tie any of the aspects of Down syndrome with any particular protein that might be expressed by genes in the extra chromosome.

Details: Dr. Terry Hassold, Dept. of Pediatrics, Div. of Medical Genetics, Emory University School of Medicine, 2040 Ridgewood Dr., Atlanta, GA 30322. Phone: 404-727-5840. Dr. Aravinda Chakravarti, Graduate School of Public Health, Dept. of Biostatistics, University of Pittsburgh, Pittsburgh, PA 15261. Phone: 412-624-3022. Dr. Patricia A. Jacobs, Wessex Regional Cytogenetics Unit, Salisbury General Hospital, Salisbury, Wiltshire SP2 7SX, U.K.

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MEDICINE

# THE WAR ON DOWN SYNDROME

### BY SANA SIWOLOP AND MAYO MOHS

The small Brooklyn classroom, bright with holiday decorations, is crowded with monkey bars, slides, balls, puzzles, and a happy throng of four-year-olds. The children cluster around their teacher as she holds up cards with their names on them. Recognizing his name, a child carries it proudly to a bulletin board and places it in a slot, to the applause of classmates. Next door, in another classroom, tiny babies just a few weeks old are being exercised, cuddled, and stroked by physical therapists as they lie with their mothers on mats.

The children in both rooms need all the help they can get: they are no ordinary children, and this is no ordinary school. It's the William O'Connor School of the New York League for Early Learning, one of many ambitious new efforts to give mentally retarded youngsters a head start on the basic skills of life—walking, talking, even crawling—that come naturally to normal children. All the children in the center are handicapped, and most of them are retarded, with I.Q.'s of only 40 to 65. Many of them are victims of a devastating genetic disorder that is the single leading cause of mental and physical retardation in the United States.

One out of 800 babies in this country is born with this disorder and faces life with both impaired mental capacity and an appalling vulnerability to a wide variety of physical disorders. The affliction is Down syndrome.* Its outward signs—the characteristic slanting eyes, flat face and small nose, stubby hands and stocky build—have little to do with its major health problems, which are internal and far more serious. More than 40 per cent of Down children have congenital heart deformities, which are the principal cause of death in infants who have the syndrome. Many are born with undeveloped digestive tracts that require extensive surgery to correct. Their immune systems are often unusually immature, which puts them in peril of severe bacterial and viral infections. Victims are 15 to 20 times more prone to leukemia than normal people, and nearly all who live beyond the age of 35 will develop Alzheimer's disease, the destructive affliction of senility.

Early in the century most Down victims were sent to institutions, where they soon died: in 1910 their mean life span was nine years. Today, with better care, fully 80 per cent live to the age of 50. As their life expectancy has gone up along with that of the general population, the number of Down sufferers in the U.S. has grown dramatically: it now stands at more than 250,000, and increases by about 5,000 a year.

**Valuable early instruction:** therapists and mothers exercise Down syndrome babies at the William O'Connor School in Brooklyn.

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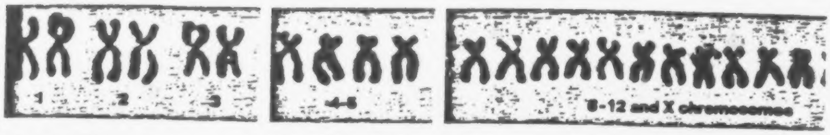
*Named for the English doctor Langdon Down, who in 1866 described the physical features of children with the syndrome. Because of the tilt of many victims' eyes, the disorder was long called mongolism, and its victims mongoloids. Later it became known as Down's syndrome. Now health professionals have shortened the name, reasoning that because Dr. Down never had the disorder himself, the possessive is inaccurate.



## MEDICINE

Researchers are attacking Down syndrome on a broad front. Specialists in teaching the retarded are setting up many centers like the one in Brooklyn to give Down children early and intensive training. Geneticists and other biologists are investigating the causes of the disorder and trying to learn why diseases like leukemia and Alzheimer's are so closely allied to it. Others are looking into the molecular structure of the brain, attempting to determine what processes trigger the mental retardation of Down syndrome—and how these processes might be reversed. Still other researchers are trying to isolate the anomalies in the parents of Down children that are responsible for the disorder, and to find ways to alert couples who are likely to produce Down babies. Amniocentesis can now detect Down syndrome in a fetus; the new methods would warn prospective parents before conception.

The general cause of Down syndrome has been known since 1959, when the French biologist Jerome Lejeune discovered that the cells of Down victims carry an extra copy of chromosome 21, one of the body's smallest. The normal human cell has 46 chromosomes, a pair each of chromosomes 1 through 22, and a pair of sex chromosomes. The sperm and the egg each provide half a chromosomal set to the fertilized cell, resulting in a newly matched set of 46 chromosomes.

But sometimes the process doesn't work properly. A pair of chromosomes fails to split during the cell divisions that lead to the development of the egg or the sperm, leaving one or the other with two chromosomes of the same kind. When these match up with a third chromosome during fertilization, the result is a new cell with 47 chromosomes. If the three-chromosome set, called a trisomy, involves a larger chromosome, the embryo usually aborts spontaneously. If chromosome 21 is tripled, however, the embryo can survive—to become a child with Down syndrome.

About four per cent of Down cases result from another kind of chromosomal aberration. In some otherwise normal people, a section of one chromosome 21 actually joins a chromosome of another number—a process called translocation. If that combination chromosome is passed along with a normal 21 in the fertilization process, the effect can be the same as with a regular trisomy. But not always. Biologists have found that it depends on exactly what part of chromosome 21 remains in the joined chromosome. Studies of children with the translocation version of the disorder show that a mere one-third of chromosome 21 produces the characteristic facial features, mental retardation, and congenital heart defects. Those who carry only the other two-thirds don't have the distinctive features and the heart disease, and are mildly retarded, if at all.

Scientists have recently discovered the tools that enable them to add such findings to Lejeune's 1959 discovery. Recombinant DNA technology now provides the principal weapons in the many-pronged attack on the syndrome. Late last fall, researchers investigating the molecular biology of the disorder met under the auspices of the National Down Syndrome Society in New York City. Their results so far show it to be an elaborate puzzle, perhaps involving genes on other chromosomes as well. But the number of clues is growing.

Geneticist Colleen Jackson-Cook of the Medical College of Virginia is looking for the cause of what she calls the "packaging error" that creates the miscreant trisomy in the first place. Studying 50 families that have had a Down child, she found that 15 parents showed a rare anomaly: an extra genetic sequence on one chromosome.

The particular sequence is a nucleolar organizing region—NOR for short—and carries important instructions for protein synthesis. Normally, one NOR sequence appears on each of five chromosomes—13, 14, 15, 21, and 22, all known to be involved in the organizing of chromosomes into egg or sperm. Jackson-Cook found a second NOR sequence on one or another of these five chromosomes in her 15 abnormal cases, or 30 per cent of her sample; in a normal population it occurs in only about two per cent. She thinks the extra NOR may constitute an even more serious risk factor than the major one long recognized: births among mothers over 35. And prospective parents could be screened for it with a relatively simple blood test.

Other investigators are looking for links between Down syndrome and the diseases its victims so frequently develop. One connection to leukemia has been found: geneticist Charles Scoggin of the University of Colorado discovered a portion of a cancer gene on chromosome 21 that may be one of the causes of acute myelogenous leukemia, a common form of the disease. A Down child has one chance in 95 of developing this form of leukemia; normal children have only one chance in 2,900.

Jerome Lejeune, discoverer of the extra chromosome that causes Down syndrome, with models of DNA in his laboratory at the Faculté de Medicine in Paris.

13-15
17-18
19-20
21 trisomy
21-22

### THE MISCREANT CHROMOSOME

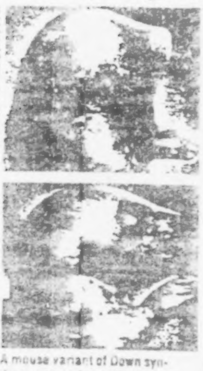
A complete set of chromosomes of a female with Down syndrome, cut from a photomicrograph of a single cell, reveal the extra chromosome 21 (*yellow panel*) that causes the disorder. Normal people would have only two of these chromosomes, rather than three.

A complex web of evidence links Down syndrome to Alzheimer's disease. Epidemiologist Leonard Heston of the University of Michigan found that families who have at least one member with Alzheimer's are [illegible] as likely as other families to have a Down syndrome [illegible]. This coincidence suggests to some researchers, among them biologist Neal Cutler of the National Institute on Aging in Washington, D.C., that the elusive Alzheimer's gene may [illegible] chromosome 21. [illegible] research teams and at least half a dozen others are trying to pin down its location.

Meanwhile, David Kurnit of Children's Hospital in Boston is trying to track down the cause of the congenital heart defects that affect so many Down victims. The most common involves the atrioventricular canal—the structure of walls and valves that separate the four chambers of the heart. In these defective hearts, embryonic cells within the canal have failed to develop properly. Kurnit found a revealing trait in the atrioventricular cells of aborted fetuses that had Down syndrome: they were unusually sticky, tending to clump together in test tubes. He speculated that the adhesiveness of the cells prevented them from migrating correctly during the development of the heart. He confirmed this theory through computer simulations, and is now trying to determine whether any genes on chromosome 21 control the production of proteins that might cause the stickiness.

Of all the principal effects of Down syndrome, how it causes mental retardation is the least understood. The brains of victims are slightly smaller than normal brains, and their convolutions are slightly less complex, but researchers doubt that these minor anatomical differences account for the retardation. Clues to that mystery, many agree, must come from studies of the brain's molecular structure and of substances that may interfere with its normal functioning on the microscopic level.

There are some hints, but vague ones. Lejeune theorizes that much of the retardation will ultimately be traced to imbalances in key enzymes, which interfere with the normal functioning of the brain. One possible culprit, an enzyme called superoxide dismutase, was found a decade ago to be present in abnormally large quantities in Down victims. A much newer discovery, involving an enzyme called beta cystathionine synthase, is similarly tantalizing. One of Lejeune's former students, Fleming Skoby, found in 1983 that this enzyme, too, existed in unusual abundance in Down patients. Lejeune suggests that the enzyme may affect a wide range of chemical processes in the brain, including the proper balance of folic acid, crucial to brain development.



A mouse variant of Down syndrome: an embryo with an extra chromosome (*top*) has blunter features than a normal embryo.

Researchers soon will have new help: the first laboratory animal with a disorder like Down syndrome. Biologist Charles Epstein of the University of California at San Francisco initially bred mice until he produced some that had an entire extra chromosome 16—the closest mouse counterpart of the human chromosome 21. The embryos of these trisomic mice showed blunt faces, shortened noses, and stocky necks eerily similar to those of Down victims. But they didn't survive the gestation period. More recently, however, Epstein was able to produce a chimeric mouse by mixing embryo cells from a trisomic mouse with embryo cells from a normal mouse. It retained some of the physical problems of human Down syndrome victims.

Even if many of these investigations succeed, correcting the defects will pose further problems. Lejeune hopes the syndrome will turn out to be the work of just a few genes and the proteins they produce, and that the implicated proteins can be countered chemically.

While the research continues, the best hope lies in the hands of the teachers and therapists in the intensive educational programs that now enable many Down children to live fuller lives. Some of the first graduates of these programs show the value of the approach. Mitchell Levitz of Peekskill, N.Y., entered such a program when he was 15 months old. Now he's 13, plays on a soccer team, loves football "because it's so dangerous," and beats his computer at backgammon. He just celebrated his bar mitzvah, and he reads Hebrew. His I.Q. is about 70.

Jason Kingsley of Chappaqua, N.Y., was enrolled in the Mental Retardation Institute at nearby Valhalla when he was only three months old. The school's therapists worked with his parents as well, teaching them how to talk and play with him. Jason is now ten; he plays simple Bach pieces on his piano and occasionally appears in guest spots on TV shows. For a December episode of the series *The Fall Guy*, he learned the one-hour script so well, his mother says, that the other cast members relied on Jason instead of the script girl. Jason's I.Q.: around 80.

Some Down syndrome children are too severely retarded for such accomplishment, but the successes with Mitchell and Jason and others like them exemplify what's possible now, even before medical answers are found. Mary Coleman, a pediatrician in Washington, D.C., says that medical literature once declared that Down children reached a plateau at a mental age of five. After the first infant-stimulation programs, "people began to say they plateau'd at seven, then twelve." Now 10 to 15 per cent of her Down patients are in classes for normal children, usually just a year behind their age group.

Lejeune continues to hope for a genetic magic bullet. "The goal of my life," he told his colleagues last fall, "has been to see a Down syndrome child properly treated—and grow up to become a geneticist." ☐

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[illegible] Konopka and his [illegible] [illegible] whether the [illegible] is present in other species. They identified similar sequences in DNA from humans, mice, and chickens and [illegible] that it is an unusual re[illegible] [illegible] coding for alternating [illegible] and glycines or threonines and glycines. However, Konopka notes, these similarities are quite limited. It is [illegible] most of the *per* gene [illegible] [illegible] in vertebrates. For that reason he remarks, "It's still a [illegible] [illegible] homologous sequences [illegible] have anything to do with rhythms [illegible] don't know what part [illegible] responsible for the rhythms."

[illegible] the finding of the [illegible] [illegible] Young [illegible] had suspected, along with others, that the *per* gene might code for an ion channel [illegible] membranes. That [illegible] [illegible] like the opening and closing of ion channels. But these repeating amino acid sequences in the *per* gene product did not look like part of an ion channel protein. On the other hand, says Hall, perhaps ion channels are not what they are assumed to be either. "Two ion channels have been sequenced out of 20 or more—and I emphasize *or more*. God knows what this ultimately means."

But the *per* gene product looked so different from the ion channels that are known that Young and, independently, Rosbash asked what that kind of amino acid sequence might code for. To their surprise, they found that similar sequences are in proteoglycans. These are mysterious proteins that are poorly understood. They appear outside the cell and have been found in extracellular matrices such as cartilage, for example. Other proteoglycans are believed to be cell adhesion molecules. Proteoglycans are loaded with carbohydrate, "which [illegible] them on the outside of cells," says Young. "We're kind of fuzzy on what to do with something like that. This protein doesn't look like an integral membrane protein so the ion channel model looks less likely. Perhaps we're dealing with a molecule that governs interaction of groups of cells which in turn form a clock."

No one, in all the speculations, had ever suspected that the clock might be controlled by molecules lying outside or between cells. "I expect that whatever we find out now will be all new," says Young. "But we will have to examine the structure and distribution of a rare protein in vivo, so we certainly will have to do some real hard work."

—GINA KOLATA

Additional Reading

1. W. A. Zehring *et al.*, "P-element transformation with period locus DNA restores rhythmicity to mutant, arrhythmic *Drosophila melanogaster*," *Cell* 39, 369 (1984).
2. H. V. Shin, T. A. Bargiello, B. T. Clark, F. R. Jackson, M. W. Young, "An unusual coding sequence from a *Drosophila* clock is conserved in vertebrates," *Nature (London)* 317, 445 (198[illegible]).

## Down Syndrome–Alzheimer's Linked

### Down syndrome adults get Alzheimer-like changes in their brains and many become demented, leading researchers to ask about the connection

Recent studies of people with Down syndrome and [illegible] with Alzheimer's disease are revealing previously unsuspected similarities between the two that may be important to the understanding of each of them. Adults with Down syndrome get a form of dementia that looks very much like Alzheimer's disease, and their brains, on autopsy, have Alzheimer-like lesions. And Down syndrome adults tend to get Alzheimer-type changes in their brains when they are still young—by age 30, the typical plaques and tangles are there.

These studies are possible because, gradually, over the past decade, a population of older Down syndrome patients has accumulated. People with Down syndrome used to die in childhood, but now, as a result of post-World War II antibiotic treatments, the switch to home care rather than institutional care, and heart surgery to correct the congenital defects that afflict 40 to 50 percent of Down syndrome babies, as many as 30 percent of these individuals are living to age 50 or more.

The relationship between Down syndrome and Alzheimer's disease tantalized neurologists. Why should these adults get Alzheimer's disease, and at such young ages? Is there something coded by the genes of the extra chromosome 21 inherited by Down syndrome patients that causes Alzheimer's disease? If so, could that substance be isolated and the seemingly inexorable development of Alzheimer's disease blocked? Within the past few years, several research groups have begun to systematically attack this problem by conducting the sort of longitudinal and morphological studies that are tedious but likely to provide answers. "It's 90 percent perspiration and only 10 percent inspiration," remarks Melvyn Ball, who directs the dementia study of the University of Western Ontario. The results, so far, are surprising.

*Down syndrome and Alzheimer's disease*

*A 55-year old woman who regressed from a 6- or 7-year old mental level to a state in which she cannot speak or comprehend language, is disoriented, and is incontinent.*

At a meeting held in New York on 14 and 15 November sponsored by the National Down Syndrome Society, investigators reported that previous anecdotal statements that virtually all Down syndrome adults get Alzheimer's disease if they live long enough are not correct. It is true that all Down syndrome adults over age 30 get brain lesions that are typical of Alzheimer's disease. These are the neuritic plaques, the spherical areas in the gray matter of the brain in which nerve cell ends are degenerating, and neurofibrillary tangles, the strand-like clusters of filamentous protein in the body of nerve cells of the brain. But,

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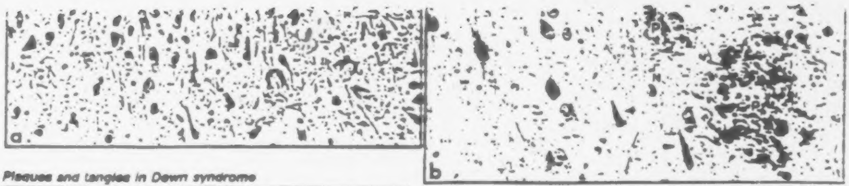

***Plaques and tangles in Down syndrome***

*Virtually every Down syndrome adult who lives past age 30 develops brain lesions that are typical of Alzheimer's disease. Only a minority, however, become demented. On the left (a) is brain tissue from a normal adult. The neurons are marked with arrows. On the right (b) is brain tissue from an adult with Down syndrome. Neurons with neurofibrillary tangles are marked with arrows, plaques are marked with P's, and normal neurons are marked with N's. [Source: National Down Syndrome Society]*

contrary to the conventional wisdom, only about 25 to 40 percent of Down syndrome adults actually become demented. Since there is a difference between being mentally retarded and being demented—demented persons lose their memories and lose the ability to care for themselves, for example—it is possible to document dementia in persons with Down syndrome.

Researchers differ on how to interpret these findings. Some, including Charles Epstein of the University of California in San Francisco conclude that "the pathology may be necessary but not sufficient for dementia." Others, including Stanley Rapoport of the National Institute of Aging suggest instead that there is a threshold effect. Rapoport proposes that a primary process causes the plaques and tangles and also causes dementia. The plaques and tangles, he says, may be a necessary and sufficient accompaniment of dementia, but there must be a critical number of them before a person actually is demented.

The resemblances between the brains of deceased Down syndrome individuals and those of Alzheimer's patients can be striking. Using techniques developed for the study of brains of Alzheimer patients, Ball found that the brains of Down syndrome adults are "every bit as severely afflicted." In both cases, the brain tissue contains extensive plaques and tangles—lesions that appear to be concentrated in the hippocampus the area of the brain that plays a selective role in learning and memory. Patients with a damaged hippocampus, "cannot put things together effectively," says Lynn Nadel, a psychologist at the University of Arizona. "They can learn to ride a bike, for example, but they will not remember where or when they learned to ride."

Ball's initial studies documenting plaques and tangles were of five Down syndrome adults aged 21 to 62 when they died. They had lived their lives in institutions, and their mental status was not well documented. It was believed, however, that they were not demented. Yet all had Alzheimer-type brain lesions. Their brains, in fact, were no different than those of several other Down syndrome adults who were demented. Ball says he also has examined the brains of several patients who were clinically diagnosed as having Alzheimer's disease yet who had no plaques and tangles.

On the other hand, Ball recently examined the brain of a 48-year-old man who had had Down syndrome and who had been demented for 3 years before he died. The lesions in the man's brain, says Ball, "were the most severe that I have ever seen." The man had a particularly pronounced loss of neurons in his hippocampus. Ball speculates that when a Down syndrome adult, who has fewer neurons than normal anyway, gets Alzheimer's disease, which is characterized by a loss of hippocampal neurons as well as plaques and tangles, the dementia can progress rapidly. This may be why Alzheimer's disease shows up in such young Down syndrome adults. But the relation of plaques and tangles to the dementia is not clear to Ball. "Some people are convinced that plaques and tangles are the explanation for the symptoms of Alzheimer's disease," he remarks. "Our group is not sure."

Krystyna Wisniewski, chief of the neuropathology laboratory at New York State's Institute for Basic Research in Developmental Disabilities on Staten Island, examined the brains of 100 Down syndrome adults who died in institutions for chronic care. Half of these individuals were over age 30 and half were younger when they died. Forty-nine of the older Down syndrome patients had plaques and tangles in their brains and seven of the younger individuals did. But only 15 of the Down syndrome patients had been demented.

Wisniewski's findings indicate that plaques and tangles may be more or less inevitable in older Down syndrome individuals, but dementia certainly is not. Wisniewski reports that she has examined 60- and 70-year-old Down syndrome adults whose minds "are crystal clear." Yet, she notes, there is a correlation in her study between the numbers of plaques and tangles and the likelihood that the person was demented. Like Rapoport, she postulates a threshold effect.

The best way to get at the question of the relation between Down syndrome and Alzheimer's disease is to do long-term prospective studies—to follow Down syndrome patients for years and record what happens to them clinically and psychologically. If what Down syndrome individuals develop actually is identical to Alzheimer's disease, examination at autopsy should provide new insight into Alzheimer's disease also.

Wisniewski is conducting a prospective study as are Rapoport and Mark Shapiro of the National Institute of Aging. So far, Shapiro and Rapoport are finding that Down syndrome individuals invariably experience declining mental abilities as they age. The investigators have studied 14 Down syndrome individuals who are younger than age 35 and six who are older than age 35. The younger adults did better on tests of attention, visual memory, and intelligence than did the older individuals. Yet only three of the six older subjects were demented.

These recent observations leave researchers with many questions and few answers. However, studies of the parallels between Down syndrome and Alzheimer's disease are clearly opening new doors.—GINA KOLATA

The New York Times
TUESDAY, DECEMBER 22, 1987
Science Times

# The Poignant Thoughts Of Down's Children Are Given Voice

New research is part of re-evaluation of Down's syndrome.

By GINA KOLATA

GIVEN voice by computer technology, adolescents with Down's syndrome are overcoming difficulties in hearing and speech to express unexpectedly vivid and intense thoughts and feelings.

When one linguist showed films of these newly articulate teen-agers at a recent meeting of the National Down Syndrome Society, researchers in the audience wept. Families of the teen-agers said they were getting to know their children for the first time.

Markie Ramirez

Christine, a 13-year-old girl with Down's syndrome, figuring out the grammatical structure of a sentence while writing about God.

The new research comes at a time when the capabilites of Down's syndrome children are being re-evaluated. Until about a decade ago, these children were routinely housed in institutions where they suffered the worst sorts of isolation. They received little or no stimulation and grew up nearly inarticulate, speaking two-word sentences, at best.

Now, most of them are being cared for at home and are enrolled in infant stimulation programs followed by preschool stimulation. Later they are enrolled in special education programs in the schools. Researchers and education specialists are convinced that the programs are having an effect, but they also emphasize that it is hard to know just what the children are capable of or how best to reach them. For these reasons, experts said, the new study is arousing great interest.

Work by the linguist, Dr. Laura Meyers of the University of California at Los Angeles, is leading scientists to reassess their ideas of how and when children with Down's syndrome learn language and what their intellectual capacity might be.

The research "stretches our expectations," said Dr. Lynn Nadel, a psychologist at the University of Arizona who studies people with Down's syndrome. "It is very exciting from our point of view."

The work is still preliminary. Dr. Meyers has yet to determine whether the teen-agers remember and use what they learned over the long term.

But the youths can be surprisingly eloquent and poetic. For example, one 13-year-old girl, named Christine, decided to write about God. "He's gonna like this," she told Dr. Meyers. Then she wrote: "I like God's finest whispers."

About 1 in 800 babies is born with Down's syndrome, the most common form of mental retardation. People with Down's syndrome have characteristic facial features and have long tongues that make speech difficult.

All people with Down's syndrome are retarded, although their mental abilities can vary greatly. Some adolescents did not function well enough to be included in Dr. Meyers' study and even those who were most sucessful in the study were still, clearly, retarded. "What we want to do in this study is not to cure mental retardation, but, to help these children perform at their full potential," Dr. Meyers said.

Neurophysiologists have established that children with Down's syndrome do not hear and comprehend words normally. One hypothesis is that they either do not hear or do not recognize the short words that give sentences structure.

Often, they do not use connecting words like "and" and "but" or small words such as "a" and "of" and "on." As a consequence, they develop telegraphic speech. For example, a boy who wanted to say, "The cat climbed the tree and tried to jump on the roof," would say instead, "Cat. Tree. Jump. Roof."

Teen-agers with Down syndrome are trapped with "the ideas of teen-agers but the words of two-year-olds," Dr. Meyers said.

Many children with Down's syndrome realize that their speech is not normal and that few people can understand them. "They are ashamed of how they sound, and they withdraw," Dr. Meyers said.

She theorized that children with Down's syndrome would learn more easily if they did not have to rely on hearing and speech. She studied teen-agers, all of whom had the visual motor and motor skills of at least a 3-year-old. Some could speak in simple sentences but others did not use sentences at all. "They were in the one-word stage," Dr. Meyers said.

The computer allows the adolescents to see their words and then hear them spoken by a computer-generated voice. "As they type, the computer says the letters to them," she said. "When they hit the space bar, the computer says the word. When they type the sentence punctuation, it repeats the sentence." Finally, the teen-agers can press a button that says "read" and the computer will read them all they wrote, as often as they like.

The teen-agers worked closely with Dr. Meyers and her associate, Vicki Kay, who helped them find connecting words and helped them learn to spell words phonetically. As they progressed, the teen-agers learned to use what they had already written as a spelling, grammar and punctuation guide for their subsequent writings.

The teen-agers quickly caught on to language structure, Dr. Meyers found. Within 10 sessions, more than 80 percent gained at least six months in mental age on at least one-half of the standard tests.

The teen-agers were told they could write about anything they wanted, Dr. Meyers said, and they wrote about events and people important in their lives.

They wrote 30-page "books," with eight sentences per page. When they took the books home for their families to read, some parents said they learned for the first time who their children really were.

### Memories of a Father

One 16-year-old boy, for example, was deeply affected by his father's death. Before the project, he could only describe it by saying, "Dad. Talk. Down. Boom." Afterward, he wrote about his memories of his father: "My father and I went to his office. We would eat lunch and drink Diet 7-Up. I love you, Dad."

The teen-agers start out sitting emotionless before a computer, Dr. Nadel said. A couple of months later, "they sit at the computer with smiles on their faces, talking like teen-agers.' There was "more going on in these Down's syndrome heads than they ever have expressed," he said.

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STATEMENT OF
THE AMERICAN SOCIETY FOR BONE AND MINERAL RESEARCH
TO THE
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

PRESENTED BY
GREGORY R. MUNDY, M.D., PROFESSOR AND CHIEF
DIVISION OF ENDOCRINOLOGY AND METABOLISM
UNIVERSITY OF TEXAS
HEALTH SCIENCE CENTER
AT SAN ANTONIO

APRIL 25, 1990

Mr. Chairman, My name is Dr. Gregory Mundy, Professor and Chief for the Division of Endocrinology and Metabolism, University of Texas Health Science Center at San Antonio. I appreciate very much the opportunity to appear before the Subcommittee on behalf of the American Society for Bone and Mineral Research to present our concerns about what we believe is an approaching crisis for the funding of biomedical research by the National Institutes of Health.

The American Society for Bone and Mineral Research represents the majority of scientists who are involved in conducting research in the bone and mineral field. Research support is provided from six of the Institutes: National Institute on Aging, National Institute of Arthritis and Musculoskeletal and Skin Diseases, National Cancer Institute, National Institute of Child Health and Human Development, National Institute of Dental Research, and National Institute of Diabetes and Digestive and Kidney Disorders.

The research being conducted by members of our Society is broad based and includes investigation into the cause and treatment of osteoporosis and Paget's disease in aging men and women, kidney stones, cancer-related hypercalcemia and bone disease associated with kidney diseases in individuals of all ages; delineation of mutations of the collage gene that cause osteogenesis imperfecta or brittle bone disease and mutations of the receptor for vitamin D that cause vitamin D-dependent rickets in infants and children; as well as basic research about the factors that regulate skeletal growth and remodeling in normal and disease states.

We join with the Paget's Disease Foundation and the National Osteoporosis Foundation in speaking on behalf of the estimated 27 million Americans, both young and old, who suffer from osteoporosis, Paget's disease and related bone disorders. With the aging of the population, both osteoporosis and Paget's disease are becoming increasingly prevalent in the elderly. The mortality associated with hip fractures is 12 to 20 percent, and half the patients eventually require assistance or are institutionalized. The annual cost for treatment of osteoporosis and fractures alone is estimated to be $8 to $10 billion and will increase as the population ages. Adequate commitment to medical research now will reduce the costs of health care in the future.

Of special concern to us are the severe research constraints that the National Institute of Arthritis and Musculoskeletal and Skin Diseases faces because of inadequate funding support. Since its inception in 1987, the budget of NIAMS has grown only 2 percent in constant dollars. The Institute can fund only 15 percent of approved grants, and the payline continues to be the lowest of any of the Institutes. In light of this serious situation, we strongly support the coalition proposal to add $50 million to the

President's recommended request, in order to provide $226 million for NIAMS in FY 1991. This would allow a sorely needed increase in funding for osteoporosis research and related bone disease research from a current level of $11 million. Without adequate dollars for research, the pain and disability as well as the economic cost related to musculoskeletal diseases will not be improved.

Together with the Alliance for Aging Research, we also support the proposal for new funds to provide an additional $1 billion for aging research. This would clearly enhance badly needed funding by the National Institute on Aging for research initiatives in osteoporosis which is currently funded at about $9 million. Further, this increase will allow additional funding to develop new methods for prevention and treatment of osteoporosis, Paget's disease and related bone diseases. For osteoporosis, this would include additional research into the factors that cause bone loss, frailty and fractures with aging, the effects of treatment such as calcium, vitamin D, estrogens, and physical exercise as well as better means of rehabilitation for patients with hip fractures.

Also, of great concern is the fact that the lack of adequate funding discourages many talented young investigators from considering academic careers devoted to discovering the causes, treatment and prevention of diseases in the bone and mineral field. If this country is to maintain its preeminace in biomedical research, this trend cannot and must not be allowed to continue. Surely, the Congress and American people can accept this challenge.

Our research society, together with the Paget's Disease Foundation and the National Osteoporosis Foundation, appreciates the tremendous opportunities that have been and continue to be provided by the research and educational programs of the National Institutes of Health, especially those of the six Institutes that support bone and mineral research. We also acknowledge support by these Institutes for workshops and conferences to disseminate information about the pathogenesis, epidemiology and treatment of bone and mineral diseases.

In closing, we wish to thank you once again for allowing us to speak on behalf of our scientists and for the patients who suffer from osteoporosis, Paget's disease and other bone diseases that are so prevalent in our country.

**HARRY MANTEL**

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April 21, 1990

Honorable Chairman William Natcher and other Members of the House Subcommittee On Appropriations:

As a journalist, retired from NBC News Chicago, deeply engaged in bringing the crisis in funding cancer research to the American people and its representatives in the Congress, I submit this statement to your Committee for the Congressional Record. In fact my statement is compiled from letters I sent today to Ted Koppel and Dr. Timothy Johnson of the distinguished ABC News program, NIGHTLINE, and letters recently sent to CNN's excellent CROSSFIRE. The letters point out the unstable funding of cancer research is long overdue as a major story in the news media.

I would like to bring these facts about cancer research funding to your attention. First, I will say I am not a paid lobbyist nor do I have any vested interest in cancer research. The writer is just another taxpayer who like most also dreads cancer, who wishes that the government would quit underfunding the research of the National Cancer Institute. It seems that Congress has allowed the Administration to stymy cancer research with crippling budgets that insult the public's welfare. As a journalist, I have tracked cancer research since 1979 and began producing a documentary on its funding crisis -- caused by the Reagan Administration -- in late 1982. "Cancer: The Second and Final War," hosted by actor Pernell Roberts and aired on public television stations during 1986-1988, includes the critical views of Dr. Armand Hammer, Chairman of the President's Cancer Panel. His turnabout as an ally of the Administration to a rarely heard critic of NCI budgets, reported in the documentary, is more timely than ever and is presented at the end of this statement.

(From my letter to Ted Koppel, ABC News Washington:)

Today, the cancer research story is alarming because the Reagan and Bush administrations have actually cheated the American public out of its rightful share of the federal budget for basic cancer research.

The per capita cost for the National Cancer Institute (NCI) -- where the purchasing power in constant dollars has actually declined since 1979 -- is about $6.60 a year or $$496.00 in current dollars for an average lifetime of 75 years. (Dividing NCI's current budget of $1.652 billion by the U.S. population of 250 million people). Yet, one out of three American people, men, women and children, will be struck with cancer at some time in their lives. And, nearly half of these people will die from cancer.

The private sector, as you know, contrary to the Reagan-Bush policy of financing social programs, cannot afford the enormous costs of basic biomedical research and clinical trials. Indeed, it is the federal government that is mandated with this responsibility by the Public Health Act, and the National Cancer Act of 1971 -- the so-called "war on cancer." Probing the secrets of the cancer cell, as you're also aware, is getting pretty close to the mystery of life itself. It would be far easier to manufacture a missile or a warplane, if one wanted members of Congress or the public to see for themselves how their tax dollars were being spent. And yet there have been many major achievements in both cancer and biomedical research. But, biomedical research doesn't work the same as engineering a bridge or putting men on the moon by using the laws of physics or chemistry. To find the elusive cancer cure is to discover more than one biological law, as yet unknown.

Permit me to tell you what you must know -- I only say this as a point of emphasis -- that biomedical experiments will fail at times, and can take years or even lifetimes to achieve success or possibly failure. I say this because the administration and the congress are afraid of costly experiments that fail. But, is there any other way?

Ronald Reagan, when he was president, paid little attention, if any, to the National Cancer Act of 1971 -- the cancer war. He even vetoed its renewal -- but, the veto was overturned by Congress. He, his budget director and other advisors had disregarded NCI's bypass budget, though it was mandated by law to go directly to the president. The bypass budget was disliked by bureaucrats, for obvious reasons, as it was intended to make an end-run around the director of the National Institutes of Health, and the secretary of Health & Human Services, to reach the president. It may be the only federal budget of its kind. It also permitted the members of Congress to use it as a magnifying glass to question the NCI director on what he needed in his wish budget, if you will, and not the budget he was ordered by the White House to request at the Senate and House hearings.

Before Gramm-Rudman was enacted in late 1985, Congress would contest the president's low budget for the Cancer Institute and would increase its appropriation. It was a game played by the president's budget director and Congress, but even so, the budgets for approved research grants grew worse. The Reagan and Bush Administrations cleverly used the deficit as a leverage over the Congress to further their own priorities, namely defense and defense research, in contrast to cancer research. So, if the Cancer Institute was ever a favorite kid on the block, it lost that image financially.

Was it just a dream in 1971, when the lawmakers felt so strongly about the National Cancer Institute to want the president and his budget director to get involved directly in the conquest of cancer? The Act was signed by then President Richard Nixon, who many times in recent years declared it was the most important bill he approved when he was in the White House. You may have heard of some scientists, however, some inside or outside cancer research, who were disallusioned or even critical of the war on cancer. These are tough questions. But, did the Reagan and Bush administrations ignore the Cancer Act? Why have they allowed some of the best peer-recommended research grants to go unfunded, down to unprecedented lows, during an explosion in biomedical research? Why did the Reagan and Bush administrations permit the constant dollars -- the purchasing power -- of NCI to actually decline from 1979 to 1989? Why won't the administration debate or even address these issues in public?

What the White House has done for years, by maintaining a flat NCI budget, is to disengage established investigators and to discourage new scientists from going into cancer research. All told, the White House couldn't have done a better job of destabilizing cancer and biomedical research in America since the inauguration of Ronald Reagan as president.

Perhaps I should state that the NCI research crisis has held my attention since I began tracking it in 1982 with a public television documentary that I began writing and producing independently before retiring at NBC, Chicago. Back then, I tried hard but was unable to get anyone from the Reagan administration to appear on camera and explain why cancer research was underfunded and ignored as a high priority -- contrary to the spirit of the National Cancer Act of 1971.

I believe if you were to take on the challenge, you would not have the same problem. The belief among some scientists in Washington is that the president's budget director, Richard Darman, as you would expect, and his chief of staff, John Sununu, are the ones responsible for the most severe cutbacks at the Cancer Institute and the Institutes of Health. I personally think it's a disgrace to allow a handful of people to affect the health and the lives of 250 million Americans. They are not taking the long view of biomedical research. That is a fatal mistake. You know, when you think of the hundreds of billions of dollars just spent on military defense research alone, compared to the $20 billion spent on the Cancer Institute since it was founded in 1938, you wonder who lost their marbles.

(From my letter to CNN's Crossfire:)

If you would consider producing probably the first broadcast debate ever on one of the most serious issues of our day, the American public would be grateful, I'm sure. The question is -- Is there enough cancer research being done in the United States today? The answer is no.

Why is cancer research so important as to require a debate? Look about you -- one out of five people will die of cancer, and many will die under the age of 65. One out of three people will suffer cancer, and half will die of that disease. As one scientist at the National Cancer Institute (NCI), explained, "We don't get upset about it because we're inured to cancer."

Is cancer just another way of life? What's this business about not enough research? -- Yet, most people believe mistakenly that the American Cancer Society, a private organization, is primarily responsible for cancer research in the U.S. Wrong, of course.

Here's the main point: The funding of NCI's competing research grants have sunk to their lowest levels. It is a crisis in the worst percentages of the recommended grants that have been funded during the administrations of Presidents Reagan and Bush. Dr. James Wyngaarden, formerly the director of the National Institutes of Health (NIH) in the Reagan Administration, and now associate director for life sciences at the White House Office of Science and Technology Policy, considers the financial crisis as a "normal cyclical distress" that will eventually go away. Of course, he speaks for the Administration.

And yet, 502 thousand people died of cancer in the U.S. last year alone, higher than the year before. Does this mean that the $20 billion budgeted for NCI since its founding in 1938 has been wasted? No, the fact is, cancer mortality is trending lower except for tobacco related lung cancer. Yet, is this the time, despite the deficit, to go on curtailing the money that's needed to maximize research grants at the Cancer Institute? Our leading scientists will tell you of course not -- for one thing there is a gigantic explosion going on in biomedical research. Some call it a biological revolution. Plus the fact that as research dollars shrink, so do the numbers of qualified investigators. Also, the flat budgets at both NIH and NCI discourage the young, new investigators from making a career of cancer research. And, here is another area of the American scene which Japan is gradually taking over.

I've taken the liberty of enclosing articles explaining these issues that were published in the March edition of The Journal of NIH Research. (It is a private publication not affiliated with NIH. Few taxpayers are even aware of NIH and NCI as being their own federal agencies. What a sleeper!) Should we spend more money on cancer research? Where will the money come from? What makes you think we're not funding enough grants? Who from the Bush Administration will dare to explain the low-level budgets for both NIH and NCI? Consider that the government is spending only $6.50 per capita for cancer research in one year, and how much that would come to for an average (75 years) lifetime? At the six dollars and fifty cent rate per year, it amounts to less than $500.00. That's not a good sum of money to spend on cancer research for every man, woman and child in their lifetime, is it? At the same time compare that small cost to the per capita cost of just defense research alone to protect the American public.

If anyone thinks the private sector would pay billions of dollars for basic biomedical research every year to conquer the killer diseases, it would be as silly as expecting the defense department to solicit donations to pay for its warplanes and missiles.

I urge you to get Budget Director Richard Darman to explain his cancer research budget in shrinking constant dollars that underfund the Cancer Institute's established and new investigators, who continue leaving the research field for greener pastures elsewhere. Perhaps Mr. Sununu will also explain why he appears unconcerned about the long-term future for cancer research? Where is his compassion for the scientists as well as 250 million American people, many of whom will be stricken with cancer? (end of CNN letter)

If not the government, who would pay the enormous cost of basic cancer research? The private sector? The Reagan administration thought it should pick up where the federal dollars left off in funding cancer research. Dr. Armand Hammer thought it should -- as chairman of the President's Cancer Panel, and said that much when interviewed for the documentary in his Los Angeles office at Occidental Petroleum in 1983. He was its chairman and major stockholder: "We've got inflation eating away at our billion dollar budget. So, we would like to have a modest increase at least to keep pace with inflation. But more important, I think, the private sector should do more than they are now doing. I think if other people would do what I have been able to do, private people, privately, we wouldn't need so much from the taxpayer. And, after all a lot of of businessmen are making money, thanks to the American taxpayers who are their customers. And, there's no reason why business shouldn't contribute more to this fight against cancer."
Two years later, in 1985, while chairing a February panel meeting with cancer scientists, he spoke differently, however. He scolded the Reagan administration and the Congress for the inadequate NCI budgets -- in these excerpts from NCI's transcripts:

"We have to get going. We can't wait, particularly at this time when people are dying. We have 400,000 deaths a year and here we are battling with the Office of the Budget, with Congress which doesn't understand the importance. They have no trouble in spending billons of dollars on another dreadnought or an aircraft carrier, but to get extra money for our program is a very difficult task. Why don't we do the same thing we are doing with NASA? If we hadn't appropriated billions of dollars and brought together the greatest scientific brains of the country, we never would have been able to put a man on the moon. Yet, we did it. And if we apply the same procedure to fighting cancer, I believe we will get the answer a lot sooner than if we go along the way we are -- struggling for a few million dollars more, or worrying about a cut in the budget."

At a June panel meeting, Dr. Hammer laid it on the line again: "In my opinion, instead of talking about a reduction in the budget, the National Cancer Institute should have a budget of double, or even triple, its present size. But since I am not in charge of the budget, until Congress realizes the seriousness of the situation, we must use those resources that are presently available to us in the most effective and efficient manner possible, while at the same time making our case again and again for additional resources -- which could take us further and further at a much faster rate."

The story was different during the Nixon and Ford administrations. In 1972 to 1976, the number of competing cancer research grants they aproved was 56 percent. In the Carter administration it was 41 percent. President Reagan's funding, however, fell from 36 percent during his first term to 27 percent in 1986, before it levelled somewhat. In the budget of President Bush for 1991, the grant funding fell to its lowest level of 20 percent. This meant that 80 percent of NCI's best competing grants, though recommended by study sections, would not be funded -- unless Congress overrode the president's budget. If not, then good research grants would go on hold. And what would happen to the investigators? Many were top scientists with contributions that might never be achieved. What does all this mean? Can we afford to be parsimonius in the way we treat biomedical scientists? Must we always believe that every dollar in cancer research will have a practical application? Let us consider the statement of a scientist who shared the Nobel Prize in medicine last year. Dr. Harold Varmus of the University of California, San Francisco, was interviewed for the documentary in 1983. This is what he said then, before he became a Nobel Laureate: "All of us spend money every day on experiments that don't work, and all of us have slow periods. One has to decide from the outset that if you're going to make an attack upon a problem financially, such as the defense department does, or anybody else, that a certain amount of money is going to end up being spent for things that don't work out. I think that when one is dealing with a problem that is as important as cancer, one has to take risks." It makes one think of the tens of billions of dollars sunk into the B-2 stealth bomber -- with its capability as yet to be proven.

NCI's deputy director, Dr. Maryann Roper, this winter told a meeting of scientists that because of their tight budget situation, in which only 20 percent of the approved competing grants will be funded, only an estimated 12 percent of approved grant applications submitted by new investigators will be funded. This meant many new scientists hoping for federal cancer research grants, will not get them. NCI is already studying career changes of young scientists at cancer centers and universities. Why are they leaving cancer research? -- Lifestyle -- They worry about the precarious funding of NCI's grants. As physicians, they can make far more money in private practice, and not have to worry about writing grants, getting them approved but not funded. Dr. Fred Rapp warned of this happening seven years ago in the documentary. A director of biological research at Pennsylvania State University, he made a prediction: "Over a period of 5 to 10 years we are going to lose a generation of young people in my opinion. And we're really in theory, and probably in practice, going to become a third-rate medical power."

In his 1991 budget estimate, and in his first year as the director of the National Cancer Institute, Dr. Samuel Broder said, "There are more opportunities than there are funds, more tasks than there are staff to perform them, more tantalizing research leads than there are resources to pursue them." Dr. Broder is famous for discovering AZT, the AIDS drug. His statement was a perennial plea by the NCI director to the President and the Congress. The distinguished scientist he succeeded, Dr. Vincent DeVita, when he was the NCI director, told the President's Cancer Panel: "Our problem is money. We are not in the days any longer where we had the money coming in at a rate that far exceeded the cost. At the present time quite frankly, due to the explosion in the biological revolution, the opportunity to test things now exceeds our capacity to fund them in clinical trials -- which is what the Cancer Program and the Cancer Act were really aimed at." Dr. DeVita made that plea in July, 1984.

There is one final point I will make. Only $20 billion dollars were spent on NCI's budgets since the Institute's founding in 1938. The cost benefits were good -- lifesaving! If just four million Americans -- a conservative estimate -- were saved by cancer research then **the cost per survivor in NCI's 52 year history was as little as $5,000.** That cost would be even less, however, if the numbers included Americans who were prevented from getting cancer, and the people living in foreign countries who also benefited from NCI's achievements.

Thank you, Chairman Natcher and distinguished members of your committee.

Respectfully,

Harry Mantel

AAOHN

Sharon L. Muckenfuss, RN
*President*

Matilda A. Babbitz, RN
*Executive Director*

**American Association of Occupational Health Nurses**
**Statment for the Senate**
**Labor-HHS-Education Appropriations Subcommittee**
**April 5, 1990**

AAOHN, the professional association for registered nurses who provide on-the-job health care for the nation's workers, has a specific concern about occupational health nursing which we would like included in Appropriations language for the Occupational Health and Safety Administration.

Four disciplines collaborate and participate in the delivery of occupational health services: nursing, medicine, safety, and industrial hygiene. Occupational health nurses are the largest group of health care providers at the worksite. In fact, AAOHN has documented that more than 60% of our approximately 12,000 members are the sole health care providers at their worksites.

Some roles and functions overlap among the disciplines. However, nursing, as well as the other disciplines, has many independent, autonomous functions which do not require the supervision or oversight of any other profession. Recognizing this fact, the National Institute for Occupational Safety and Health has funded Educational Resource Centers to provide education and training for each of the four disciplines.

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Only three of the disciplines are involved in policy making at OSHA: medicine, safety and industrial hygiene. Since 1986, AAOHN has worked toward inclusion of nursing at the policy making level. Language in the FY '89 Appropriations bill (Senate Report 100-399, page 25) directed the agency to hire an occupational health nurse in a policy making position.

A well qualified occupational health nurse was finally hired; initially the position reported to the Director of the Office of Medicine, Directorate of Technical Support. However, for several months now the individual has been reporting directly to the Director of the Directorate of Technical Support.

The individual has attained a great deal of credibility within the agency. In fact, this individual was asked to write the medical surveillance/medical management portion of the ergonomic guidelines for the meat packing industry recently developed by OSHA.

The individual also has had heavy involvement in the development of the bloodborne pathogens standard. For example, this individual coordinated the agenda for two days of the public hearings, including identifying and interviewing witnesses by request of the Director, Directorate of Technical Support. At the request of the standard project officer, this individual reviewed and provided comment on the proposed testimony of Agency expert witnesses.

AAOHN is very concerned to learn that a proposal is being discussed which would once again place nursing personnel under the Office of Medicine at OSHA. This will perpetuate the myth among policy makers, regulators and employers that nurses must report to and are subordinate to medicine. The result of this myth is that companies bear extra cost in hiring physicians to "sign off" on the services provided by nurses and that nurses are prevented from providing services within the full range of their legal scope of practice. The cost issue is of particular concern for all business and industry, but particularly small businesses.

The proposal also has implications for the nursing shortage. The Secretary's Commission on Nursing concluded that a major contributor to the nursing shortage is this same lack of recognition and autonomy. Nurses are leaving the profession and students are choosing other professions at this time of increased demand and need for nursing services.

In summary, occupational health nurses are the largest group of health care providers at the worksite. It is vital that their role and contributions are considered at the policy making level at OSHA.

NATIONAL PUBLIC RADIO®

Statement of

DOUGLAS J. BENNET
PRESIDENT
NATIONAL PUBLIC RADIO

on

FY 1993 APPROPRIATIONS for the
CORPORATION FOR PUBLIC BROADCASTING

submitted to

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

April 10, 1990

"Celebrating 20 Years"

Office of the President
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Mr. Chairman and members of the Subcommittee, I am pleased to testify in support of appropriations for the Corporation for Public Broadcasting (CPB). CPB is authorized at $285 million for FY 1993, and I urge the Subcommittee to appropriate the full amount. In addition, $200 million has been authorized over three years for replacement of the public broadcasting satellite interconnection systems; $133.06 million of that amount has been appropriated. National Public Radio (NPR) requests that the remainder of the authorized funds, $66.94 million, be appropriated in FY 1993. I would like to give you some background on the goals and accomplishments of public radio to help you understand the importance of these funds.

## PUBLIC RADIO'S MISSION:MOVING IN NEW DIRECTIONS

NPR, now celebrating its 20th anniversary year, represents 384 public radio stations that provide news, information, cultural, and performance programming to 11.6 million listeners across the country. NPR's audience has increased by 1.6 million in the past year. The public radio system has met its original challenge of twenty years ago and has embarked on an ambitious strategy to bring quality programming choices to a larger and more diverse segment of the population. Public radio's distinctive blend of news and cultural programming, now available to 86 percent of the population, moves listeners beyond today's conventions and offers them new insights about themselves, their communities, and the world.

In a November, 1989 Gallup survey done for the Times Mirror Center for the People & the Press, NPR was rated by journalists, government officials, academic leaders, and business executives as "having the most positive influence on American journalism." The vote of confidence for NPR came amid other findings that public confidence in the news media "as an impartial observer of the political and social scene" is eroding. Despite increased news coverage provided by cable services and local TV stations, the popularity of NPR's comprehensive and thought-provoking news coverage continues to grow.

More and more Americans are turning to public radio for in-depth domestic and international news coverage plus commentaries on political, economic, and social trends. In addition, public radio creates national awareness of American cultural treasures in music and drama, and stimulates interest in and greater appreciation for American performers, conductors, directors, and producers.

Public radio's mission encompasses more than providing quality news and cultural programming. The role that stations play in the lives of their local communities is also crucial, and growing in importance. A recent example of this outreach is found at KERA-FM in Dallas where, during the winter pledge drive, the owner of a local restaurant and bakery chain promised on the air to donate $1 in food to the North Texas Food Bank for every $2 pledged by listeners -- provided they pledged at least $25,000 during a certain time period. KERA's audience responded with a record $26,705 in pledges, resulting in a food bank donation of $13,352.50.

Here in Washington, WAMU-FM recently donated portions of a day's air time to help a local volunteer coordination agency. Called "Heart to Heart," the special effort enabled listeners interested in volunteering to call the station and be matched with charitable organizations that needed their services.

Public radio has established itself as a strong, vital service for the nation. Looking to the future, National Public Radio last year initiated a strategic planning process to give it direction and to shape its priorities for the 1990s. This process led to a reexamination of NPR's mission to ensure that it reflects the importance of meeting the changing needs of a society with stronger cultural, racial, and ethnic identities.

Many more Americans, including the elderly, ethnic minorities, children, and the handicapped, can be better served by public radio if the number of CPB-qualified stations increases.

## EXPANSION OF PUBLIC RADIO TO REACH UNSERVED & UNDERSERVED AREAS

Shortly after NPR's strategic planning process began, in March of 1989, the Public Radio Expansion Task Force convened under the auspices of the Carnegie Corporation and CPB. Its report, "Public Radio in the 1990s -- Fulfilling the Promise," concluded that "...by embracing a wider universe of stations, producers, and supporters, and by reaching broadly across the diversity of our multicultural society, public radio can fulfill its early promise and expand the initial vision of service to the American people."

The major findings of the Task Force are two-fold. First, it concluded that it is possible for public radio to increase its reach from 86 to 95 percent of the population by the year 2000. The Task Force states that this can be accomplished in part by increasing the number of CPB-qualified stations, by expanding the satellite interconnection system, and by establishing new downlinks at 50 existing stations currently without such facilities. Downlinks will allow these stations to receive thousands of hours of national programming for little or no cost. Matching funds to support construction of some of the downlinks targeted by the Task Force are included in the ground segment cost projections of the satellite replacement project.

The second major finding was that expansion of public radio service also requires new programming initiatives to serve individuals whose needs are not being met by the offerings of existing stations. There are 26,000 hours of national programming competing for only 40 percent of a station's air time. Because there is not enough air time on one or two stations' schedules, much of public radio's national programming goes unheard in many communities. Adding 50 interconnected public radio stations would allow more programming to be heard, including some targeted to audiences that are presently underserved.

CPB recently instituted two new grant programs to assist in expanding public radio's reach and diversity. These programs will help stations that already provide an important service to their local communities, but that could do more with a satellite downlink and additional funding through CPB grants. One station that will benefit from these programs is KKFI-FM in Kansas City, Missouri, a truly multicultural station that programs in Spanish and English and has on-air volunteers from the Caribbean, African American, Latino, and Asian communities. Others are KNNB-FM in Whiteriver, Arizona, licensed to the Apache Tribe and broadcasting in Apache and English; Latino-controlled WDNA-FM in Miami, Florida broadcasting in Spanish and English; and WVMR-FM in Dunmore, West Virginia, the sole broadcast service for a poor rural community.

## PUBLIC RADIO STRIVES TO MEET CULTURAL CHALLENGES OF THE '90S

### NPR presents diverse cultural perspectives to listeners

NPR's recently-completed Strategic Plan states, "We are evolving into a pluralistic society; stronger cultural, racial, and ethnic identities are contradicting old notions of the great American melting pot. By the year 2000, one in three Americans will belong to a minority." This fact has helped shape NPR's goal of meeting the artistic and cultural challenges of the 1990s and harnessing the strengths of the radio medium to express the diversity of American culture. NPR must embrace the richness of American and world culture, and must find new ways to speak to all generations.

Public radio as a whole has a special mission to fulfill. Fueled by a flexibility which allows radio to respond quickly to a dynamic society, public radio can help shed light on the cultural characteristics of our changing nation. NPR is developing programming that embraces this new philosophy, including MAKING THE MUSIC, an exploration of what makes American music truly American. Hosted by Wynton Marsalis, the series will use live performance, historical recordings, and re-creations to illustrate the roots and cross-influences of American music, including European, African, and Caribbean, and chart its growth in the 20th century.

Another innovative venture is THE CAULDRON:RACE AND CULTURE IN AMERICA, a series providing an honest and intricate examination of the interwoven, yet separate, issues of race and culture in America's growing pluralism. This series is expected to grow out of the American Sensibilities project, a four-day intensive seminar convened by NPR and San Francisco's Mexican Museum to further understanding of cultural pluralism and its racial and cultural barriers and opportunities.

National Public Radio's current cultural programming has already begun to incorporate this fresh approach. On March 5, 1990 NPR premiered HEAT, a live nightly "roundtable" of the airwaves offering intelligent talk and performance -- a national meeting of arts and minds. Hosted by Peabody Award-winning journalist John Hockenberry, HEAT tries to "erase the artificial line between intellectual and creative expression." Some of the topics discussed in the first programs include what it means to be an Asian in America, the labor movement's future in our country, an exploration of world music, and the latest trends in collectibles. Now in its second month on the air, HEAT already is available to nearly half of the NPR audience.

AFROPOP WORLDWIDE continues to grow in popularity. This lively eclectic mix of music from Africa, partially funded by CPB's Radio Program Fund, is now carried on 115 stations nationwide. Another recent addition is BLUESSTAGE, hosted by Ruth Brown, which showcases live blues performances. Also a recipient of CPB funds, it found its audience almost immediately and is now carried by approximately 140 stations. The popular humorist and storyteller Garrison Keillor is back on the airwaves with American Public Radio's "American Radio Company of the Air"; other APR offerings include "Whadda ya Know," "Mountain Stage," and the award-winning "St. Paul Sunday Morning."

## Local stations contribute to cultural life of their communities

Local public radio stations play a major role in the cultural lives of their communities. In addition to broadcasting local concerts and keeping the community informed of upcoming events, many stations air other regular programs that address more specialized needs.

WFPK/WFPL-FM in Louisville, Kentucky, airs "Kentucky Center Readings," featuring readings by area writers; the station is also developing the "Louisville Radio Repertory Theatre" -- radio dramas written for and by teenagers. WDUQ-FM in Pittsburgh, Pennsylvania, which has a growing Indian audience, airs an ethnic music program featuring music from India. And KSOR-FM in Ashland, Oregon, is working with local Hispanic organizations to develop a Sunday afternoon program devoted to music and news of interest to this segment of the community.

WBEZ-FM in Chicago provides extensive coverage of local music festivals, including national broadcasts of the Chicago Jazz Festival and the Chicago Blues Festival. The station also recently began airing "Artistic License," a two-hour newsmagazine covering the area's art, music, and theatre scene.

NPR national news coverage is comprehensive & thought-provoking

National Public Radio is best known for its award-winning newsmagazines ALL THINGS CONSIDERED, MORNING EDITION, and WEEKEND EDITION. Among the topics covered in the past year are AIDS and black America, fetal alcohol syndrome, gun control, the problems of our nation's young black men, and business and health care. In 1989, NPR news won every major broadcast journalism award. In addition to NPR's hourly newscasts, American Public Radio's "Monitoradio," a daily half-hour news program from the Christian Science Monitor, and its new weekday business program "Marketplace," add to public radio's comprehensive news presence.

NPR's weekly series HORIZONS also won several awards in the past year: "And Justice for All," an independently-produced documentary that examined the plight of poor New York City tenants facing eviction without legal aid, won the top New York State Bar Media Award; "The 9 to 5 Danger Zone:Occupational Hazards," an investigation of occupational hazards faced by women, won a Women at Work Broadcast Award; and "Date Rape:The Crime of Ordinary Men" won an Ohio State Award and a Silver CPB Award.

Prompted by the dizzying changes taking place in the Soviet Union and Eastern Europe and major stories such as Hurricane Hugo and the San Francisco earthquake, National Public Radio has developed QUESTION TIME ON NPR, a live, two-hour call-in program on topics in the news. QUESTION TIME provides a forum for listeners across the country to discuss current issues including the collapse of communism, the Panama invasion, and the fall of the Berlin Wall.

National Public Radio has also begun work on the Specials Project, a new approach to public radio news that will use an extensive outreach program to link listeners, schools, businesses, and community organizations with their public radio stations. The first special, which will air in September, 1990, examines the attitudes of youths toward prejudice and asks whether they will be prepared to cope in the increasingly diverse world of the 21st century.

## Local stations' news & public affairs programs meet community needs

In addition to national programming, news on public radio includes locally-produced programming that is responsive to the special needs of stations' communities.

KCHU-FM in Valdez, Alaska, (serving only about 8,000 people) broadcast extensive, award-winning coverage of the Exxon Valdez oil spill, which was relied on by all the commercial networks until their own reporters could reach the scene. The station devoted its entire annual news budget to coverage of the spill.

In Louisville, Kentucky, WFPK/WFPL-FM airs "Louisville Forum," which covers monthly meetings where local issues are discussed. The station has a program in development called "Environmental Minute," a series of daily, 60-second modules discussing environmental issues.

Florida stations WUSF-FM and WSFP-FM, which simulcast in the cities of Tampa Bay and Fort Myers-Naples, together reach one-third of the state's population. The stations' award-winning state and regional news coverage last year included "Christian Science on Trial," a two-part series that explored the legal and ethical questions about freedom of religion and the responsibility of the state to protect children.

## PLANS FOR SECOND GENERATION PUBLIC RADIO SATELLITE INTERCONNECTION SYSTEM ARE WELL UNDERWAY

The importance of the public radio satellite system cannot be overstated. The current satellite has enabled public radio stations to enjoy a growing variety of program choices made available by hundreds of producers across the country. In 1988, more than 21,000 hours of programming were available; in 1989, the figure was 26,000 hours. Studies indicate that this growth will continue, requiring additional distribution capacity.

This subcommittee has already appropriated $133.06 million of the authorized $200 million for replacement of the public broadcasting satellite interconnection systems, which will go dark by mid-1991. NPR wishes to thank the committee for this past support, and to request that the remaining $66.94 million be appropriated in FY 1993.

On February 28, 1990, National Public Radio signed a contract with Hughes Communications Galaxy for C-band transponder capacity which is intended to provide public radio with continuity and flexibility for growth approximately through the year 2005 -- four years longer than the original projections -- at a cost nearly $5 million less than previously estimated.

The continuation of analog C-band technology will permit the retention and gradual refurbishment of the current ground system infrastructure. Retention of existing ground hardware is the most economical method of providing future interconnection services, and also continues the operational flexibility and high-quality technical performance that has served the system well for the past ten years.

The replacement satellite system takes into account public radio's commitment to reach unserved and underserved audiences, including the fourteen percent of Americans who are still unable to hear any public radio signal. In addition, the planned system will provide service to existing stations not now a part of the interconnection system. The decision to acquire additional transponder capacity at this time will assure that the expansion of public radio services using current technology can be accommodated from the outset of the second generation system.

Mr. Chairman, National Public Radio requests that the full $285 million authorized for CPB, plus the remaining $66.94 million for satellite replacement, be appropriated for FY 1993. The accomplishments of public radio thus far are many, yet we can do so much more. Public radio is ready, with your help, to respond to the rapid social, economic, technological, and cultural changes that will face America in the 1990s and beyond.

PUBLIC RADIO
EXPANSION TASK FORCE

TASK FORCE MEMBERS

Lynn Chadwick
*National Federation of Community Broadcasters*

Dennis Connors
*Public Telecommunications Facilities Program*

Augustine Dempsey
*Corporation for Public Broadcasting*

Tom Livingston
*WETA-FM, Washington, DC*

Hugo Morales
*Radio Bilingue, Fresno, CA*

Mike Morgan
*Public Radio in Mississippi*

Dale Ouzts, *Chairman*
*WOSU-AM/FM, Columbus, OH*

Midge Ramsey
*National Public Radio*

Wayne Roth
*KUOW-FM, Seattle, WA*

Joan Rubel
*WFCR-FM, Amherst, MA*

Doug Sweet
*KMUN-FM, Astoria OR*

Bruce Theriault
*American Public Radio*

Tom Thomas
*Station Resource Group*

March 19, 1990

Honorable Silvio Conte
Subcommittee on Labor, HHS and Education
House Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Conte:

We are pleased to forward to you a copy of *Public Radio in the 1990s: Fulfilling the Promise.*

This report was prepared by the Public Radio Expansion Task Force, an independent working group representative of public radio's interests at both the station and the national level.

Our broad goal is to assure that public radio is available to, and used by, more of the American people. Our plan will achieve:

- Major progress toward full national coverage.
- Increased station effectiveness.
- Greater efficiency from current resources.
- New programming that will increase and diversify public radio's audience.

The report has been widely endorsed within the public radio community -- by the Corporation for Public Broadcasting, National Public Radio, the National Federation of Community Broadcasters, and several public radio regional organizations. CPB has committed substantial funds to start work on the recommendations.

The full plan outlined in the report requires further resources from both the public and private sectors. We hope you will support funding for public broadcasting at the full authorized level, so that public radio can fulfill the promise of public service that both Congress and we in public radio have envisioned.

Sincerely,

Dale K. Ouzts

Dale K. Ouzts
Chairman

enc.

ncwge National Coalition for Women and Girls in Education

TESTIMONY

SUBMITTED TO THE

SUBCOMMITTEE ON
LABOR, HEALTH AND HUMAN SERVICES, EDUCATION,
AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

THE HONORABLE WILLIAM H. NATCHER, CHAIRMAN

BY

ELLEN VARGYAS,
CHAIR

OF THE

NATIONAL COALITION FOR WOMEN AND GIRLS IN EDUCATION

APRIL 30, 1990

SUBJECT: FUNDING FOR FEDERAL PROGRAMS AFFECTING THE
EDUCATION OF THE NATION'S WOMEN AND GIRLS

I am Ellen Vargyas, Chair of the National Coalition for Women and Girls in Education (NCWGE). The coalition represents over 60 diverse women's, education, and civil rights organizations committed to achieving equity for women and girls in all aspects of education. Most recently, NCWGE has been actively involved in the reauthorization of the Carl D. Perkins Vocational Education Act. We are very pleased to have this opportunity to submit our recommendations on fiscal year 1991 funding for federal programs affecting the education of the nation's women and girls.

NCWGE urges you to fund Pell Grants at $6.6 billion, College Work Study at $861 million, Perkins Loans at $448 million, State Student Incentive Grants at $120 million, and Supplemental Opportunity Grants at $579, which would restore funding to FY 1980 levels, adjusting for inflation. During the last ten years, funding for student aid has not kept pace with inflation, despite an increase in the number of disadvantaged students most in need of these important programs. Fully 54% of all undergraduate students are now women, up from 46% only sixteen years ago. A greater proportion of women than men rely on financial assistance for access to postsecondary education. This is probably due to the fact that women students are more likely than men students to be self-supporting, older than average, and from lower-income families. Women are also more likely than men to be single parents.

Funding the Pell Grant program at $6.6 billion will ensure that less than half-time students can get aid without reducing grants for full-time and half-time students. The expansion of eligibility for Pell Grants to less than half-time students particularly benefits women, who are more likely to be studying part-time while they balance work and family responsibilities. NCWGE's recommended funding level will also increase the maximum Pell Grant from $2,300 to $2700, nearly restoring the maximum Pell Grants to 1980 levels in constant dollars. Our proposals for increases for the grant and work study programs will begin to reverse the trend towards increasing reliance on loans rather than grants in student aid packages.

NCWGE recommends funding Special Child Care Services for Disadvantaged College Students (Subpart 8 of Title IV of the Higher Education Act) at $10 million. Because so many women students (and potential students) are parents, the need for affordable and quality child care can often be a barrier to college. In 1986, Special Child Care Services for Disadvantaged College Students was authorized, but Congress has never funded it. Under this program, the Secretary of Education can make grants to colleges and universities to provide special child care services to disadvantaged students. By funding this program, Congress can make higher education accessible for many mothers.

The Coalition also recommends appropriating $75 million for the Office for Civil Rights (OCR), which would restore funding to early 1980s levels, adjusting for inflation. OCR has the important responsibility of enforcing federal laws prohibiting discrimination in education programs or activities funded by the federal government. This includes Title IX of the Education Amendments of 1972, which prohibits sex discrimination in federally funded education programs and activities and which is a key priority of NCWGE.

Funding for OCR has dropped by nearly two-thirds in constant dollars. Not surprisingly the staff size has decreased from more than 1000 full-time staff positions in FY 1980 to the present 802. These cuts have resulted in a dramatic decrease in OCR's ability to investigate complaints, undertake compliance reviews and otherwise carry out its mandate to eliminate federally funded discrimination. The problem is all the more significant in that following the passage of the Civil Rights Restoration Act, OCR's jurisdiction was significantly expanded and the number of complaints and breadth of complaints has increased dramatically. The shrinkage of staff size combined with burgeoning need for compliance reviews and investigation of complaints has shown that OCR has insufficient resources to carry out its mission. In order to bring OCR to a minimally acceptable level of functioning, we recommend the appropriation of $75 million.

NCWGE recommends a $10 million appropriation for the Women's Education Equity Act (WEEA) for FY 1991. WEEA was originally enacted in 1974 to remedy widespread sex discrimination in education. Since then it has been reauthorized four times, most recently in 1988. WEEA authorizes the Department of Education to award grants and contracts to non-profit organizations and educational agencies to develop, demonstrate and disseminate educational equity products and programs. WEEA is extremely cost-effective because models developed can be replicated across the nation. It is the only federal program with a comprehensive mandate to fund projects on equity at all levels of education, for all aspects of education--including administration, athletics, counseling, and curriculum reform--and for both minority and disabled women and girls.

WEEA has consistently been on the cutting edge of emerging issues affecting women and girls in education. WEEA pioneered projects focusing on increasing access for female students to mathematics, science, and computer education, long before these problems were viewed as national priorities. Today, many WEEA projects deal with female dropouts and teen pregnancy prevention.

Over the past ten years, WEEA funding has decreased 87% in constant dollars (In 1980, WEEA funding was $10 million, but today it its only $2.1 million). As a result of these cuts, only 24 projects were funded nationwide in 1990 out of 352 applications. Under current law, funding above $4.5 million can be applied to direct implementation of programs developed with WEEA funds. NCWGE recommends that Congress begin to restore the cuts by appropriating 10 million in FY 1991.

NCWGE requests funding of Training and Advisory Services (Title IV of the Civil Rights Act of 1964) at $46 million. This program provides support to state education agencies and desegregation assistance centers in providing technical assistance and training to districts that are desegregating in the areas of race, sex, or national origin. Funding for this program has decreased from $46 million in FY 1980 to $21.5 million in FY 1990, a decrease of 70% in constant dollars. NCWGE urges you to restore appropriations to $46 million in FY 1991 to help ensure that female students have equal opportunities to learn as do males.

NCWGE recommends $1.5 billion in funding for vocational education for FY 1991. NCWGE is concerned primarily with programs for sex equity and for single parents (including single, pregnant women), homemakers, and displaced homemakers. The Perkins Act provides the largest commitment of federal dollars for educating women and girls in the nation's history, and that commitment has netted results. Nationwide, sex equity funds have successfully established programs to battle sex stereotyping thòugh teacher training, outreach, direct services to individuals or school districts, curriculum development, counseling and development, and research. The number of programs for single parents, homemakers, and displaced homemakers rose from 435 in 1984 to nearly 1000 in 1989.

Most new entrants into the work force in the decades to come will be women, minorities and immigrants. Many will rely on vocational education or on-the-job training for their labor market skills. Over the past decade, federal funding for vocational education has decreased approximately 40 percent in constant dollars. Funding of $1.5 billion for vocational education will restore a decade's worth of cuts and point us in the right direction for meeting the challenges of the future.

Thank you for the opportunity to express the views of NCWGE.

NATIONAL ASSOCIATION OF REHABILITATION FACILITIES

John H. Moore, Jr.
*President*

John A. Doyle
*Executive Director*

# Written Testimony of the
# National Association of Rehabilitation Facilities

Submitted to the House
Appropriations Subcommittee
on Labor, Health and Human Services,
Education and Related Agencies
Washington, DC

April 12, 1990

P.O. Box 17675, Washington, D.C. 20041 • (703) 648-9300 • Fax: (703) 648-0346

Thank you Chairman Natcher and the other members of the subcommittee for allowing the National Association of Rehabilitation Facilities to submit written testimony regarding fiscal year 1991 funding for the Departments of Labor, Health and Human Services, Education and Related Agencies.

NARF is a national leader in the area of rehabilitation representing over 700 community-based vocational, medical, and residential rehabilitation facilities. Our testimony will cover numerous programs which are aimed at assisting persons with disabilities. The areas that we will address are covered under the Rehabilitation Act, the Health Omnibus Programs and Extension Act of 1988, Title XX, and the Job Training Partnership Act.

Perhaps no other time in recent history has the need been greater to expand programs that assist persons with disabilities. The entire disability community anxiously awaits the passage of the Americans With Disabilities Act, which will put persons with disabilities on an equal footing with the rest of the American population. However, this legislation has no funding mechanism. Therefore, many of the programs that are currently in existence remain the only vehicle that can carry out the spirit of the ADA legislation. The National Association of Rehabilitation Facilities stands ready to utilize those programs in order to implement this landmark civil rights legislation. Our members view themselves as civil rights leaders within their communities who will make the ADA legislation, when it passes, a living civil rights document.

**REHABILITATION ACT**

The Rehabilitation Act of 1973 remains the foundation for vocational services for persons with disabilities and the key link between the spirit of ADA and the reality of moving persons with disabilities into an integrated America.

The Administration has requested that the Vocational Rehabilitation State Grants Program be funded at $1.615 billion for FY 1991. This represents a meager increase of 4.5%, which barely allows this program to keep pace with inflation. NARF recommends that the subcommittee fund the State Grants Program at the level authorized, $1.875 billion. Additional funding for this program will allow states to maintain and enhance their level of services, while providing a jump start for the ADA legislation when it is enacted.

Another key component of the Rehabilitation Act is the Supported Employment Program. This program offers persons with disabilities an opportunity to participate in competitive work in integrated, community-based settings. In addition, the program provides the necessary on-going support for individuals with disabilities to assist them in performing their jobs. Approximately, three-fourths of supported employment service providers are traditional rehabilitation programs offering rehabilitation services. Yet, we have heard that sparse funding for this program means that services to consumers cannot be as extensive as they should be because of lack of funding. Therefore, we encourage the subcommittee to increase funding for this program to $30.949 million, the fully authorized appropriation.

Also authorized under the Act, and of great importance to individuals with disabilities, rehabilitation facilities, community organizations, labor unions, and businesses is the Projects With Industry Program (PWI). This program fosters public/private partnerships through business advisory councils. Most PWIs already provide the type of assistance and advice that the business community will need to comply with ADA. The training is designed specifically for jobs available in the business community. The PWI program provides a natural link between the intent of the ADA and the reality of it being carried out. Job training, placement, support services, job modification, special aids, appliances or adaptive equipment, and the modification of facilities or equipment are all services that can be provided under PWI. For fiscal year 1991, the President's budget called for level funding for the PWI program, $18.76 million. This program's authorized appropriation is $19.925 million. The President's request is $1.16 million below that amount. NARF recommends the full level of funding as authorized by the Act for the following reasons:

- PWI returns $3.42 for each Federal dollar spent;
- Over $4 million in savings and payments would be realized for the additional $1.16 million appropriated;
- An additional 996 persons with disabilities will be trained and given jobs in the competitive labor market;
- An additional $10,579,512 will be earned by these PWI graduates in the first year;
- An additional $879,468 in federal income tax will be paid in the first year of employment; and
- An additional 109 SSI and SSDI recipients will be employed.

With regards to training, rehabilitation facilities, both medical and vocational, continue to face severe shortages in personnel and training programs that provide in-service and retraining for existing staff. The strength and effectiveness of rehabilitation facilities is dependent upon an adequate supply of appropriately trained and competent practitioners. It is estimated that rehabilitation facilities will need to attract between 100,000 and 300,000 new staff by the year 1991. These new employees will require proper training. Yet, funding for training programs under Section 304 of the Act has remained static over the past few years. NARF recommends the full level of funding of $38.5 million for FY 1991.

## HEALTH OMNIBUS PROGRAMS AND EXTENSION ACT

Another source of needed training funds is the Health Omnibus Programs and Extension Act of 1988. The 100th Congress enacted the Health Omnibus Programs and Extension Act which contains two provisions that would make available in 1991 $2 million for faculty and program strengthening, and for traineeships for advance training of allied health professionals, including rehabilitation therapists. The funding levels are grossly inadequate for the present rehabilitation needs of our nation's elderly and persons with disabilities. Given the extreme shortages of occupational and physical therapists, speech language pathologists, and audiologists, NARF recommends that the subcommittee appropriate the full authorization level under the Act of $4 million for FY 1991.

## TITLE XX

The Title XX Social Services Block Grant is as major source of funding for non-institutional community-based services that serve individuals with disabilities. In many states, this program provides the funding that allows individuals to remain self-supporting. Title XX received a small increase 0 of $62 million for FY 1990. The President has requested an additional $38 million for this program totalling $2.8 billion. Congress has allowed this program to be funded at a higher level. NARF recommends that Title XX be given a substantial increase in funding for the expansion of services currently being provided, such as referral and counseling, training and related services, and an appropriate combination of services designed to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, and alcoholic and drug addicts.

## JOB TRAINING PARTNERSHIP ACT

The Job Training Partnership Act (JTPA) provides job training services to individuals with disabilities through Title IIA and the seven national projects funded under Title IV (Pilot and Demonstrations Account). Rehabilitation facilities have played a key role in seeing that persons with disabilities, as well as non-disabled individuals, receive training through the JTPA program. The seven projects under Title IV operate nationwide in 65 sites and placed over 9,000 individuals in jobs in FY 1987. Since funding for the JTPA program has been reduced over the last two years, NARF recommends that Title IIA as well as the Pilot and Demonstrations Program be returned to at least the 1988 appropriations level of $1.809 billion and $39 million respectively.

Mr. Chairman, the National Association of Rehabilitation Facilities appreciates this opportunity to share our views on these important issues and we hope that you will strongly consider our recommendations.

STATEMENT BY THEODORE W. VAN ZELST, MINANN, INC. TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH & HUMAN SERVICES, EDUCATION & RELATED AGENCIES
Washington, D.C. April 6, 1990

## Subject: **Expansion of Medical Research, Education and Information Systems for Chronic Fatigue Syndrome (CFS)**

Mr. Chairman and members of the Committee, my name is Theodore W. Van Zelst. I am presenting this testimony for the record as president of Minann, Inc., a foundation which has been active since 1984 on matters related to the disease defined by the Centers for Disease Control as Chronic Fatigue Syndrome (CFS), also known as Chronic Fatigue Immune Dysfunction Syndrome (CFIDS).

The National Institutes of Health and the Centers for Disease Control have been active in studying this disease. Private researchers, funded by foundations, individuals, medical centers and hospitals have also been studying CFS. Despite these efforts, the differential diagnosis of Chronic Fatigue Syndrome remains difficult. There is confusion regarding treatment modality, and a cure is not yet in sight. Those afflicted by the disease are desperate and need hope that there will be an end point to their pain and a promise for a healthier future.

Hundreds of self-help support organizations have been developed around the country. There are strong regional groups active in giving patient support and disseminating information about the disease. Most state and regional support organizations are now publishing newsletters. Some are very extensive in their coverage and contain stories on current research and support activities.

The fight against Chronic Fatigue Syndrome is unusual in that patients, in spite of their debilitating illness, have had to take a leading role in efforts to educate physicians and the general public. Patients have been active in conducting surveys to obtain more information about the disease in order to make the data available to medical researchers. A number of new books on the disease have appeared. One book, *Hope & Help for Chronic Fatigue Syndrome* by Karyn Feiden discusses the emergence of the disease, the medical perspective, the search for diagnosis and possible treatment; another book, *Waiting To Live* by Greg Fisher has been updated and reprinted.

Recognition of CFS as a disease has finally arrived at the public level. The national support organizations are becoming stronger. State and regional groups strengthen the network. Books and articles are appearing regularly. The popular prime-time TV show "Golden Girls" devoted two episodes in September, 1989 touching every facet of the CFS illness with sensitivity and understanding. Each time a CFS media story appears, more physicians become aware of the existence of the disease and many more patients are identified.

*This testimony has been prepared from communications and reports from CFS medical researchers and practicing physicians, patients, CFS support group leaders, support group newsletters and excerpts from Congressional Hearings.*

Statement for the Record
By: Theodore W. Van Zelst
Minann, Inc.
Box 582, Glenview, IL 60025
708/724-7640

The concern about this disease has been outlined by the National Governors' Association which passed a Resolution at its February 1990 meeting. The Governors' Resolution tells us much about Chronic Fatigue Syndrome and its research needs:

> *"The nation's governors call on Congress and the White House to foster greater understanding of, and to better coordinate research into, the disease, Chronic Fatigue Syndrome.*
>
> *The governors recognize that there is an urgent need to expand the public health response to this disease, which has been identified in every state, and which the Center for Disease Control has called an emerging epidemic. Estimates of the afflicted range as high a 1.5% of the populace, or approximately 3,750,000 individuals.*
>
> *Recent biomedical research has identified Chronic Fatigue Syndrome as a serious illness that affects a number of systems of the human body including the immune system. The syndrome is characterized primarily by chronic debilitating fatigue and is often accompanied by a variety of cognitive dysfunctions. Victims of this syndrome often experience symptoms of sufficient severity to legally qualify for Social Security Disability.*
>
> *The apparent increase in this disease during the 1980s argues for better exchange of information about Chronic Fatigue Syndrome between concerned Federal and State public health authorities.*
>
> *Therefore, the governors call on Congress and the White House to act to increase the coordination of Chronic Fatigue Syndrome research and programs within the public health community for the exchange of information about this disease."*

As a result of this Resolution a number of governors have proclaimed CFS Awareness Weeks and some cities have taken similar action.

The Social Security Administration has moved forward in understanding Chronic Fatigue Syndrome, but much more must be done. Patients still experience refusal of disability benefits, delays and cut-off of benefits. The SSA coverage of CFS can be greatly improved by its issuance of directions or regulations to the nationwide staff and by expanding and clarifying its coverage of CFS in the Operations Manual. Past history indicates that such actions would most likely stimulate similar clarifications on the part of third party insurers. Such clarification would ease the current confusion regarding insurance coverage. The SSA should be directed to make an Annual Report to Congress regarding its handling of CFS claims matters.

Progress is occurring in the CFS research arena and some researchers are encouraged. There have been new findings which may lead to a better understanding of the disease. New research reports are expected to appear in medical journals in the near future.

Important meetings have been held during the past year. In October, 1989 the Great Lakes/Midwest CFS Conference was held in Milwaukee, Wisconsin. The First International Conference on Chronic Fatigue Syndrome and Fibromyalgia was held in February, 1990 at Los Angeles, California. In April, 1989, 550 physicians, nurses and health care professionals attended the San Francisco Chronic Fatigue Syndrome Conference. There were many smaller meetings and workshops. The First World Symposium on CFIDS will be held in Cambridge, England, April 1990.

One researcher, Director, Harvard's Brigham & Women's Hospital, Anthony L. Komaroff, M.D., reported at the Milwaukee meeting that

> *"..to me and to other researchers it continues to seem likely that there is more than one cause of this condition (CFS). ...I think that a variety of different microbes -- viruses, bacteria and others -- may be involved in CFS."*

Congresswoman Barbara Boxer (CA) commented about the San Francisco CFS Conference:

> *" The medical consensus of the Conference is that Chronic Fatigue Syndrome is a debilitating illness that presents continuing challenges to the research community, and is an illness which must be compassionately addressed by physicians as they seek its causes and search for helpful treatments."*

Scientists in government laboratories, medical schools, hospitals and medical research centers studying CFS have many theories as to its cause. There are experiments with treatments using a variety of drugs, and studies related to the incidence of this disease as well as to its development in an individual. It is generally believed that CFS is a multi-system disease, affecting the central nervous system, cardio-vascular system, neuro-muscular system and immune system. CFS affects patients in different ways and at different times with varying degrees of severity, thus the wide range of symptoms.

It is not the purpose of my presentation to this Committee to attempt to recommend any one research direction. However, it is apparent from the many communications that we receive from patients and researchers, reports about CFS in medical journals and in the support organizations' newsletters, that more research is needed.

The National Chronic Fatigue Syndrome Advisory Council has identified goals and recommendations:

1) The improved dissemination of accurate information to patients and physicians.
2) The development of an expanded targeted research program.
3) The Advisory Council would encourage NIAID to publish a physician's brochure comparable to the *Backgrounder* currently being distributed to patients by NIAID

A member of Congress, in referring to this Committee, stated:

> ***I commend you on your leadership and funding support for CFS research, review of disability issues and tracking of this disease (CFS) ... I continue to support funding for CFS and remain encouraged by signs of progress in understanding this disease.***

During 1989 the NIH awarded two research grants (see "two arm" distribution below) to study CFS. Research and patient communities believe that more extra-mural funding is needed. Nationwide, more researchers are active. Now is the time for the NIH to issue more extra-mural research funds to qualified medical and scientific researchers active in the study of CFS who may have the idea or basic concept that can lead to a diagnostic technique or treatment.

The National Advisory Allergy & Infectious Diseases Council minutes of meetings June 15-16, 1989 reported:

> ***There remains only one Ongoing Program Announcement extramural grants solicitation "after one and a half years" for which there has been "14 credible applications reviewed." Only one grant has been approved and funded, with "two arms":***
>
> ***1) Prevalence data using information from a health maintenance organization under contract to the University of Washington***
>
> ***2) Incidence studies using information from a general medical practice at Harvard Medical School intended to "show the spectrum of the disease."***

Also in 1989, the CDC began a CFS Surveillance Program now underway in Atlanta, GA; Grand Rapids, MI; Reno, NV; and Wichita, KS. The program has enlisted the help of many sentinel physicians in these areas. The Program compares and contrasts the actual and estimated incidence of CFS in the four cities being studied. Many feel that there the Surveillance Program should be expanded to more cities.

Additional funding is needed for the CDC to conduct familiarization meetings for physicians and to circulate information about this disease. Apparently many physicians are not up to date on the CDC's latest definition of CFS as published in the March 1988 issue of *Annals of Internal Medicine*.. Reports from around the country indicate that many CFS patients have difficulty receiving proper payments from insurance companies, because the companies and their advisory medical staff do not understand CFS. Many physicians who treat CFS patients are being denied payment by insurance companies.

Dr. Roper, Director of Centers for Disease Control, reported in an Overview Hearing (3/22/90) that last year $1.2 million was spent on CFS research by the CDC. With increased funding over that base, the CDC could expand its surveillance and research programs. Physicians and health professionals have to be educated about this disease. An additional $1,250,000 should be allocated for educational activity to enhance awareness of CFS and to facilitate patient care A central clearinghouse should be set up for the tremendous amount of data being developed; and a CFS patient registry should be started.

The constraints of the Federal Budget make it impossible to achieve all of the objectives of governmental and private scientists who are studying CFS. We believe that the NIH and CDC can take the initiative and leadership to consolidate and coordinate CFS research activity by:

1) Recommending standardized instruments for collection of clinical data
2) Systemizing the evaluation of functional health status, according to standardized and validated instruments
3) Advising regarding the establishment of a Standardized Protocol for laboratory tests
4) Providing for storage of both sera and leucocytes for future testing

Some research studies have indicated that a patient's chronic fatigue may be associated with a well recognized organic or psychiatric illness. In an Overview Hearing (3/21/90) it was reported that the National Institute of Child Health & Human Development (NICHD) and the National Institute of Mental Health and the NIAID are working together on CFS research. This cooperative effort is applauded. However, medical and patient committees are not generally aware of these studies. The NIH should take steps to make them aware through its *Backgrounder* and other publications. The many CFS newsletters would welcome stories on this cooperation. The cooperative studies should be expanded.

The National Institute of Mental Health (NIMA) has undertaken some studies relating to CFS. Since recent NIAID and outside research have indicated some possible neurological involvement with the disease, these NIMH studies should be expanded and additional funding granted.

Because of the widespread nature of this disease, the involvement of a great number of scientific researchers, the indication of great numbers of persons afflicted with CFS, it would be appropriate for the NIH to designate a senior official to assist in coordinating CFS activities nationwide by maintaining close contact with the CFS researchers who have the latest scientific knowledge available about CFS studies.

On May 22, 1989: Dr. Stephen Straus, Head, Medical Virology Section, Laboratory of Clinical Investigation, NIAID, presented a lecture,*"Medicine for the Layman"*, This lecture on Chronic Fatigue Syndrome (CFS) was presented for Congressional members and staffers invited by Representative John Porter, a member of the Appropriations Subcommittee.

The NIH should study the future establishment of a multi-center consortium of institutions involved in the care and study of patients with Chronic Fatigue Syndrome. It would be appropriate for an organization of the status of the NIH to organize such a center.

A letter from a California CFS patient tells the dramatic effect on those afflicted with the disease:

> *"An understanding of the true nature of CFS is so elusive that I now find myself jobless, destitute and uninsurable. Yet just seven years ago I was a high-functioning super-achiever, just graduated from a respected technical college, with highest honors! And there are so many other CFS casualties just like me ...throughout California...all over the country.*
>
> *Just imagine the damage this syndrome is doing to the job force in America! Just imagine the continuing erosion of valuable human resources directly due to this disease. Just imagine the new burdens which are now being placed on our overstressed community, state, and federal helping agencies. The socio-economic consequences of our national ignorance about CFS are truly quite alarming. Yet--still--too little is known about this spreading disease.*
>
> *We need help!"*

In past testimony we have suggested that the NIAID make effective use of the existing Small Grants Fund and expedite the issuance of these grants to recognized CFS researchers. NIAID recognizes the existence of this fund, but there is little or no activity related to CFS. Small funding in specific study areas can open up new avenues of research which may lead to discovery of a treatment or cure for this disease. $500,000 should be made available for these Small Grants.

## WE URGE THIS COMMITTEE TO DIRECT OR RECOMMEND:

### The National Institute of Allergy & Infectious Diseases (NIAID):

1) Expand its internal research studies on Chronic Fatigue Syndrome (CFS).
2) Expand funding for extra-mural research on CFS. Issue more RFAs in such areas as etiology, patho-physiology, medical treatment, and interplay with allergy and neurological involvement.
3) Make available $500,000 for Small Grants on CFS research.
4) Continue the program of workshops and support of meetings for dissemination of information about CFS.
5) Study the advisability of conducting research or data accumulation of continued immune dysfunction on CFS patients who are presumed to be in remission.
6) Study the future establishment of a multi-center of institutions for study and care of CFS patients.
7) Present an Annual Report to Congress on CFS research expenditures, research progress and opportunities.
8) Expand NIAID cooperation in basic CFS research with :

    National Cancer Institute, National Institute of Mental Health
    National Institute of Child Health & Human Development

### The Centers for Disease Control (CDC):

1) Continue and expand CFS surveillance (possible added sites) and epidemiology activities.
2) Conduct Chronic Fatigue Syndrome case control studies in surveillance areas.
3) Expand immunologic studies, virologic studies, toxic studies and conduct long term follow-up review of CFS patients identified in the Surveillance Program.
4) Continue CFS public and health professional information, training and research activities and allocate for this public relations and educational activity: $1,250,000

### Social Security Administration (SSA):

1) Issue directions or regulations regarding treatment of the claims of CFS patients.
2) Study the establishment of a central clearinghouse for CFS data and start a CFS patient registry.
3) Make an Annual Report to Congress on SSA handling of CFS claim matters.

On behalf of the dedicated CFS researchers, the expanding number of patients and their supporting families, we thank this Committee for its attention to this growing national health problem. We ask that the Committee continue its efforts in support of CFS studies so that research will lead to answers about this debilitating syndrome which affects the lives of so many of our citizens.

בס"ד

Simon Wiesenthal Center

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**Statement of Rabbi Meyer H. May**
**Executive Director**
**Simon Wiesenthal Center**
**On HR 3210**
**Before The**
**Subcommittee on Postsecondary Education**
**Committe on Education and Labor**
**United States House of Representatives**
**April 5, 1990**

Mr. Chairman and Members of the Subcommittee:

On behalf of the Simon Wiesenthal Center and the Beit Hashoah: Museum of Tolerance, I want to express my sincere appreciation for your convening of this hearing to consider HR 3210, legislation to provide financial assistance to the Museum of Tolerance for educational programs concerning the Holocaust at the Museum.

All of us involved in this important and dynamic project are grateful for the support, encouragement and guidance extended to us by you and your colleagues on the Subcommittee.

## Introduction and Summary

The Beit Hashoah: Museum of Tolerance will be a world-class museum and educational resource center devoted to the study of the Holocaust, and will provide visitors a first-hand experience as to the causes and consequences of bigotry and race hatred.

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Los Angeles, CA

The museum will not be limited in scope to the history and legacy of Nazi Germany. The theme of the museum -- tolerance -- encompasses the issues of prejudice and oppression in the United States as well, including the history of racism in America. There will be exhibits and materials addressing global human rights issues.

The museum's exhibits are designed to test each visitor's own values and attitudes and will challenge them to play an active role in counteracting prejudice in our lives today.

Surely nothing can be more important than promoting ethnic, racial and religious harmony in our society.

The Beit Hashoah: Museum of Tolerance will underscore the importance and relevance of remembrance through teaching the Holocaust, and will confront the social dynamics of bigotry and prejudice in American life.

The museum will emphasize the profound relationship between democracy and tolerance, and it will be a formative experience in responsible citizenship.

The goal of this unique, experiential museum is to impact upon the lives of people from all walks of life, and make them understand that their own attitudes and behavior can make a difference for the better -- for themselves and for our society as a whole.

It is these things that we intend the museum to translate into the educational programs that will be supported, in part, by the funds authorized in HR 3210.

Simon Wiesenthal Center

## The Message of Remembrance: Contemporary Relevance

Mr. Chairman and Members of the Subcommittee:

We at the Simon Wiesenthal Center believe that there is no more propitious moment than now -- this instant -- for a rededication of commitment, vision and understanding to the horrors of the Holocaust and the lessons all of us, as survivors -- individually and collectively -- must apprehend and share with our fellow citizens.

The stunning developments in Eastern Europe -- the collapse of communism and the incipient triumph of democracy in Poland, Hungary, Czechoslovakia, and hopefully Romania -- are an inspiration to all of us.

But these events, as momentous and welcome as any in the past 45 years, have also been marred by a resurgence of anti-Semitism in Eastern Europe and the Soviet Union. The chains of communism may be broken, but we are not yet free -- and Eastern Europe and the Soviet Union have hardly begun to free themselves -- of the yoke of racism.

Of even greater significance is the fall of the Berlin Wall and the movement toward the reunification of Germany. Because of the unyielding legacy of Germany's past, the moment of unification is also a moment for reflection, remembrance, and even some trepidation.

The surest and strongest safeguard for a peaceful and humane future for Germany, and all who have a stake in the future of Germany, is the memory and reminder of the past.

Elie Wiesel observed recently that what may be lost in the emergence of the new German is memory: what happened, why it happened, to whom it happened, and what it meant. In one of history's great ironies, the date of the fall of the Berlin Wall -- November 9 -- is also the anniversary of Kristallnacht, the Night of Broken Glass, the night of pogrom and murder that signalled the Holocaust to come.

The question for us is: will a new memory of November 9 displace the old, and thereby place all of us in moral, if not mortal, peril?

And so we believe we have no choice but to confront history, challenge ourselves, understand the past, apply the lessons learned to the present, and grasp the future armed with the identity forged by memory and knowledge.

It is to this end that the Beit Hashoah: Museum of Tolerance is dedicated.

## The Simon Wiesenthal Center

The Simon Wiesenthal Center was established in 1977, and has become the largest institution of its kind in North America dedicated to the study of the Holocaust, its contemporary implications, and related human rights issues. To serve its national membership of over 380,000 families, the Center, which is headquartered in Los Angeles, maintains regional offices in New York, Chicago, Toronto, Miami, Jerusalem, and Paris.

The Wiesenthal Center is dedicated to the preservation of the memory of the Holocaust through education and awareness, with the goal that no people shall ever again fall victim to an atrocity of such magnitude. To this end, the Center has developed innovative programs in the areas of Holocaust studies and research, educational outreach to schools and various organizations, international social action, and media. These broad-based activities have impacted on the lives of people from all walks of life on this continent and abroad.

The Center closely interacts on an ongoing basis with a variety of public and private agencies, meeting with elected officials, U. S. and foreign governments, diplomats, and heads of state. Many important issues have been discussed, including anti-Semitism, contemporary attitudes of intolerance and bigotry, terrorism, genocide, chemical weapons, and the prosecution of Nazi war criminals.

Thematic Structure of the Museum

The Beit Hashoah: Museum of Tolerance will have the following exhibits and thematic elements:

The American Experience: The History of Racism and Prejudice on the American Experience will combine interactive exhibits, integrated graphic displays and specially-produced short films by outstanding directors. Throughout this section, each visitor will learn of his or her own personal stake in the issue of tolerance.

The Holocaust: Featuring 30 major exhibits, the concept for the Holocaust section is a walk back in time to expose visitors to the full reality and tragedy that was Nazi Germany. It will present visitors with a sequenced, intensive experience that examines the major topics and chronological events of the Holocaust. Through innovative exhibit strategies, this section will seek to communicate how this unparalleled genocide was perpetrated and help visitors understand that where there is intolerance, the potential exists for it to happen again.

The Global Situation Room: To actively report and assess contemporary human rights issues, the Global Situation Room will contain technologically-advanced monitoring equipment with up-to-the-minute printout capabilities of the Associated Press and other international news agencies. This section will enable visitors to place their museum experience in context with breaking human rights stories, underscoring the relevance of teaching remembrance and tolerance. It will help them understand that hatred and prejudice did not die with Hitler in the bunker.

Computer Learning Center: With facilities that can meet the needs of novices and scholars alike, the Interactive Computer Learning Center will encompass the second floor of the exhibition facility. Using the Macmillan Encyclopedia of the Holocaust as an important resource, it will employ innovative educational techniques and user-friendly, multi-media computer technology to access millions of pieces of information, including films, maps and thousands of photographs which will bolster the personal dimensions of that tragic era. The Learning Center will contain 33 individual work stations, two classroom-sized work stations, a special room for scholarly research, and an information retrieval station where visitors can obtain hard copies of the materials they have accessed in the computer system.

Archives: The museum will house more than 1,200 unique and rare archival collections. Included will be historical records, tens of thousands of photographs gathered from Europe's leading archives and holdings, 500 hours of videotaped interviews with Holocaust survivors, correspondence, artifacts, diaries, and rare documents such as original letters penned by Anne Frank. Among the collections is a special archival memorial to the million and a half Jewish children who perished in the Holocaust.

## Construction and Funding

The new museum is nearing completion on Pico Boulevard at Roxbury Drive in West Los Angeles. Scheduled for opening in the Spring of 1991, the 165,000-square-foot facility is being built on a site adjacent to the existing Simon Wiesenthal Center.

The museum's total construction budget is $50 million, with over $38 million raised to date, including $32 million from individual and corporate donors.

None of the funds authorized by HR 3210 would be used in any way for the construction of the museum -- nor do we intend to seek any Federal funding for construction of the museum.

## HR 3210

The legislation before this Subcommittee today authorizes funding, through the Department of Education, for the development and dissemination of educational materials for students of all ages to school districts and institutions of higher education across the country. The Federal share of the costs of designing and conducting education programs is limited to 50%, with the matching funds provided from private sources.

A full description of the education programs we plan to implement pursuant to this legislation is attached to my statement. It is our intention that the educational materials developed under the authorization provided by HR 3210 will be available nationally, and will reach thousands of students from all walks of life throughout the United States.

S 2300, a companion bill, was introduced on March 20 by Senators Kennedy, Kasten and Hatch, along with 23 additional cosponsors. The statements of introduction accompanying that bill are also attached to my testimony.

Conclusion

I wish to conclude my testimony, Mr. Chairman, with the words of Dr. Gerald Margolis, director of the Simon Wiesenthal Center and the Beit Hashoah: Museum of Tolerance. In discussing the mission and rationale for the museum, he has written:

> "The Museum of Tolerance will be a museum of enduring value. And Los Angeles, with its culturally diverse populations and as the most visited city in the United States, will be an appropriate home for this museum. The Museum of Tolerance will also generate auxiliary programs, study materials, and films for national educational distribution.
>
> "Most important, the museum will dramatically confront those enduring and central problems -- questions of commitment, moral direction, and social purpose. It will focus on the nature of a just society, and how such a society is to be achieved, and how individual and group rights can be reconciled with the needs of the many.

> "The Beit Hashoah: Museum of Tolerance, with its understanding of the tasks at hand and what lies ahead, will be a counter-balancing educational and moral force in our society. It will be an experience "out of school," and not one that can be found in the current college catalogue. Its mission: to foster cross-cultural communication and to be a formative experience in responsible citizenship."

Enactment of this legislation will help transform this vision into reality, Mr. Chairman.

We very much hope this Subcommittee, and the full Committee on Education and Labor, can expeditiously approve HR 3210.

Thank you for the opportunity to testify before you today.

# EDUCATION PLAN

## EDUCATION PLAN: SIMON WIESENTHAL CENTER MUSEUM OF TOLERANCE

### SUMMARY

The Simon Wiesenthal Center's new Museum of Tolerance and its Interactive Computer Learning Center will be the first of its kind to challenge the public to take an active role in counter-acting prejudice and persecution. The museum's two main exhibit areas will be devoted to: 1) A series of multi-media theaters and electronic displays which tell the story of human behavior, focusing on the history of human rights in America; and 2) A computer-synchronized succession of tableaus which tell the story of the Holocaust as visitors are taken back in time to the streets of Europe during the 1930's and 1940's. The Interactive Computer Learning Center will contain 31 interactive computer videodisc work stations which will enable both students and educators to explore an extensive data base on all aspects of the Holocaust. A similar capability is contemplated in the subject area of intolerance and prejudice.

The Museum of Tolerance will generate both print and electronic educational materials. A full range of books, bibliographies, reports and study guides on prejudice, aggression, intolerance, discrimination, antisemitism and the Holocaust will be made available and distributed to public and private schools and colleges throughout the nation. Original short videos and films will be produced on these subjects designed to capture and hold students' attention and generate in-depth classroom discussions. Teacher training seminars will be sponsored by the Simon Wiesenthal Center which will help educators develop effective strategies for teaching the material.

The Simon Wiesenthal Center is committed to educating both present and future generations about intolerance and the Holocaust. It is our hope that one day every school system in the country will have these subject areas incorporated into their curriculum.

## THE SIMON WIESENTHAL CENTER

The Simon Wiesenthal Center was founded in 1977 as North America's first national Holocaust center. The Center's governing philosophy is, that the Holocaust represents a fundamental crisis in Western society and its values, and only through education and vigilance will society ensure that no people shall ever again fall victim to an atrocity of such magnitude as the Holocaust.

The Simon Wiesenthal Center is an educational and research facility, promoting inquiry into the causes and effects of the Holocaust and other genocidal events. It engages in education programming and serves as a historical and informational resource to a national constituency -- the general public, especially to students; as well as to educators, historians, writers and journalists.

## THE MUSEUM OF TOLERANCE

As the Simon Wiesenthal Center's educational programs and activities have expanded the Center has out-grown its existing facility and Holocaust Museum. Construction has begun on a new seven-level complex which will house a library, archival area, auditorium, media center and production studios, operational and administration offices and the new 36,000 square foot Museum of Tolerance.

The Museum of Tolerance, the central focus and impetus for expansion, represents the Center's commitment as an educational institution to address authentic social dilemmas, both in its historical and contemporary contexts. This innovative museum will be the first of its kind to challenge the public to examine prejudice and persecution in order to help build a more tolerant world.

Utilizing American history, the study of racism and the evolution of our great democracy, the Museum will confront human behavior, explore twentieth century genocides including the Armenian and Cambodian massacres, and will address the Holocaust as man's ultimate violation of human rights and this century's watershed event. The Museum will test its visitors' own values and attitudes and challenge them to play an active role in counteracting prejudice. Visitors will experience a living, social document through their engagement with historical artifacts, documents, newsreel film, photos and state-of-the-art multi-media technology, such as interactive computerized displays and multimedia presentations. The stories of mankind's prejudice, discrimination and persecutions will come to life.

## INTERACTIVE VIDEODISC LEARNING CENTER

Central to the Museum's mandate, will be to make the Holocaust -- a difficult and usually inaccessible era of history -- comprehensible and accessible. Informed people know that terrible things happened during the Holocaust; few have a grasp of the complex facts and their implications for today and for generations to come. Moreover, this lack of intelligibility precludes them from dealing with the moral and political problematics of the event which are the very fabric of history. Although part of Western history, the Holocaust is a non-English language event, deals with the history of over twenty countries in the 20th century, and the history of the Jewish people in each of these countries.

Particularly, the Simon Wiesenthal Center proposes to use videodisc technology as a means of developing an encyclopaedic embrace of the Holocaust; and to make these materials available on a national basis.

## SYSTEM CONCEPT

The interactive multimedia Computer Learning Center at the Museum of Tolerance will present multi-media displays of museum-worthy information, which includes text, photographs, documents, background music, animated displays and video accounts. The system incorporates advanced microcomputers, videodiscs and digital compact discs, video-graphic interface boards, and high-resolution graphic displays.

The various information media can be accessed by the user through selected topics and subtopics, key words, geographical locations displayed on maps, theme questions, and/or time and event. Overall, the structured design of the system allows for information selection and can accommodate different users who might vary in level of interest, motivation and sophistication.

A key feature of the system design is the simplicity of the user interface. It is instantaneously usable by virtually any user (young or old) without any need for instructions or training.

## RESEARCH

The research must essentially focus on two worlds -- that of the Holocaust and that of pre-war European Jewry. To do justice to these worlds, it is necessary to amass much significant detail in order for a broad picture to emerge. This is particularly essential in the case of the Holocaust, for it is only by connecting the particular details of place and people, that a true picture of the process of destruction and the enormity of what was lost can emerge. A case in point, is the research task of reconstructing the Jewish communities in 4,553 cities, towns and villages which the Nazis obliterated. The information here bringing picture, music, film and topographical, historical and political economic maps, will both situate and depict, and thereby explicate the small village as a real place in history, populated by real people. Further, in the case of the Holocaust, research will focus on the following areas: 1) The process of destruction of ghettos and concentration camps; 2) Nazi ideology; 3) Nazi bureaucracy; 4) Resistance - ghettos, camps and; 5) Gentiles who risked their lives in order to save Jews.

Use of computers is uniquely suited for understanding the Holocaust. For example, the transport of millions of people -- Jews, gypsies, homosexuals, etc., -- from their homes in Eastern Europe to concentration camps in Germany by railroad cars while a war was proceeding was an immense undertaking. It involved coordination by huge numbers of workers, bureaucrats, officials in the military and many practical problems over a long distance. Constant decisions over priorities, for example, whether to use the rails to ship new materials to the rapidly disintegrating Russian front or rather to transport Jews from Hungary to their deaths had to be made. The researchers hope to involve the viewer in the Nazi's decision making process. Here, animated maps of train routes, graphs and charts of economic costs, all of which can be used to understand the complexity and the commitment that the Nazis had toward the implementation of the Final Solution. This method, rather than lead to dehumanizing and distancing from that event, actually does allow the student /viewer to confront the Nazi State.

The Computer Learning Center, in its scope, content and methodology will have a profound impact on the study of history in the future.

Once the Holocaust videodisc project is completed, the Simon Wiesenthal Center will then expand the scope of the overall project to include target areas in the history of racism, and minority oppression.

## EDUCATIONAL FILMS

The section of the Museum devoted to Human Rights and the American experience will produce films as its central museum strategy. (By the time a student graduates from high school, he or she will have watched an estimated 20,000 hours of television and have spent 12,500 hours in the classroom.) The advantage in the use of film and the specificity of image is clear to educators. A film will hold a student's attention; a good film is capable of riveting the student's attention and transforming his processes of thought.

As the Museum treats the subject matter of prejudice, aggression, intolerance and discrimination, original short films will be produced that will transmogrify ideas into images, concepts into moving human dramas. These films will be especially designed to trigger discussion of more fundamental topics essential for a democratic society and responsible citizenship. These films will be made available for national distribution.

## STUDY GUIDES - RESOURCE MATERIAL

The Simon Wiesenthal Center currently publishes a full range of books, scholarly series, reports, bibliographies and study guides on the Holocaust and antisemitism.

The Museum of Tolerance will generate educational resource materials to promote an understanding of the nature of prejudice and aggression. Model curriculums and social science units, based upon readings in U. S. History, will confront those enduring and central problems in the humanities. Questions of commitment, moral direction and social purpose, will focus on the nature of a just society, how such a society is to be achieved, and how individual and and group rights can be reconciled with the needs of the many. Included in this educational material will be facsimile reproductions of key documents in American history as living enactments of social values.

The importance of making this material available to public and private educational institutions is critical. Too many young Americans leave our schools and colleges without a full appreciation or recognition of seminal events in history. The jeopardy here is self-evident and enormous. The Museum of Tolerance, with its understanding of the task that lies ahead, will be a counterbalancing educational and moral force with a goal of producing citizens who are informed, can grapple with moral dilemma and the hard choices that responsible citizenship demands.

## ADVISORY COMMITTEE

The Simon Wiesenthal Center currently has an Advisory Committee composed of international experts in the field of antisemitism and Holocaust studies. A parallel committee is now in formation to provide guidance and direction in the content areas of human rights and tolerance education.

## EDUCATIONAL MATERIAL DEVELOPMENT AND DISTRIBUTION

Because of the importance of the subject material and its unique presentation, it is expected that the Museum of Tolerance will be a compelling destination for visitors to Los Angeles, and for West Coast residents. The Simon Wiesenthal Center's Educational Outreach Department will contact educators to arrange museum visits for students, teachers and administrators. Printed materials about the museum and its Interactive Videodisc Learning Center will be sent to area public and private, primary and secondary schools, as well as to institutions of higher learning.

As is our current practice for our present museum, teachers will receive educational materials prior to their scheduled visits to enable them to prepare themselves and their students for the museum experience. All tours in the museum will be conducted by specially trained docents conversant with the subject material.

Upon completing their museum tour, teachers and students will be provided with specially developed educational materials designed to foster further discussion about the moral issues raised by their visit. These materials can be incorporated within social science curricular frameworks.

Museum of Tolerance films and study guides will be distributed nationally through educational magazines and catalogs, museum publications and at educational conferences. Educational materials will be made available to school systems throughout the country, enabling educators to develop curriculums on the subject matter. Through creative educational distribution, the Center hopes that public and private schools will incorporate tolerance and Holocaust study programs in their curriculum.

## TEACHER TRAINING INSTITUTES

In order to prepare educators from all across the United States to teach the subject matter of the museum, the Simon Wiesenthal Center will convene regional teacher training seminars. These seminars will be designed to develop effective strategies for teaching this sensitive material. For teachers who are unable to attend the seminar, the Center will produce and distribute a training video.

It is the commitment and mandate of the Simon Wiesenthal Center to provide the educational opportunities to advance a moral perspective on those crucial issues that the present and future generations will face.

3089

S 2300

By Mr. KENNEDY (for himself, Mr. KASTEN, Mr. HATCH, Mr. CRANSTON, Mr. WILSON, Mr. SIMON, Mr. DODD, Mr. ADAMS, Mr. PELL, Mr. LIEBERMAN, Mr. DOLE, Mr. BOSCHWITZ, Ms. MIKULSKI, Mr. GORE, Mr. HARKIN, Mr. D'AMATO, Mr. SPECTER, Mr. DURENBERGER, Mr. INOUYE, Mr. LEVIN, Mr. RIEGLE, Mr. MOYNIHAN, Mr. HOLLINGS, Mr. WIRTH, Mr. METZENBAUM, and Mr. KERRY):

S. 2300. A bill to provide financial assistance to the Simon Wiesenthal Center in Los Angeles, CA, for the education programs of the Museum of Tolerance; to the Committee on Labor and Human Resources.

### AUTHORIZATION OF FUNDS FOR MUSEUM OF TOLERANCE

Mr. KENNEDY. Mr. President, I rise today—for myself and on behalf of 25 cosponsors—to introduce a bill that would authorize $5 million in support for educational outreach programs of the Museum of Tolerance being constructed at the Simon Wiesenthal Center in Los Angeles. The purpose of this legislation is to provide assistance to the Simon Wiesenthal Center's effort to prepare and provide educational materials about the Holocaust to schools and colleges who might want to include such instruction in their curriculum.

The Simon Wiesenthal Center is well known throughout America and throughout the world. The purpose of the center is to keep the memory of the Holocaust alive so that the words "never again" become a historical reality and not just a fond wish or a failed dream. The center has an extensive international membership that includes hundreds of thousands of Americans.

We all know what the historical significance of the Holocaust is—not just to Jews throughout the globe but to all humankind throughout history. It is a singularly horrible example of man's capacity for inhumanity. It is a chapter in human history that must never be forgotten so that it will never be repeated.

The engine behind this proposed legislation is our desire to encourage our teachers to teach and our students to learn about the Holocaust so that they can better understand the lessons to be drawn from that dreadful chapter in human history. We do not seek to impose or to require schools to include instruction about the Holocaust in their curriculum. But we do believe that such instruction should be an option for those schools that want to have it available for their students. And we do believe, for that reason, that educational materials about the Holocaust should be readily available to any schools—public or private—anywhere in the United States that want and choose to teach their children about the Holocaust.

It is our hope and understanding that the Museum of Tolerance, now being constructed at the Simon Wiesenthal Center in Los Angeles, will develop such materials, and the purpose of this legislation is to provide moral as well as material support for that effort. Our bill would provide $5 million in matching funds to assist in the support of this effort. Under the terms of this bill, the Wiesenthal Center must submit an education plan to the Secretary before its receives any funds.

Mr. President, this legislation already has widespread support in the Senate—as evidenced by the large number of cosponsors. I hope that my colleagues will join me in cosponsoring this legislation and will vote to enact it in this Congress. I ask unanimous consent that the proposed legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

### S. 2300

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. GENERAL AUTHORITY.

The Secretary of Education is authorized to pay to the Museum of Tolerance of the Simon Wiesenthal Center, located in Los Angeles, California, the Federal share of the cost of designing and operating education programs concerning the holocaust.

#### SEC. 2. APPLICATION REQUIRED.

No financial assistance may be provided under this Act unless an application is submitted to the Secretary of Education at such time, in such manner, and containing or accompanied by such information as the Secretary of Education may reasonably require. Each such application shall describe the type and kind of educational materials to be developed and the steps that will be taken to ensure that age appropriate products are available to school districts and institutions of higher education across the country.

#### SEC. 3. FEDERAL SHARE.

The Federal share of the cost of designing and conducting education programs under this Act shall be 50 percent. The portion of costs not paid by financial assistance provided pursuant to this Act must be paid from sources other than Federal, State, or local government.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $5,000,000, to carry out the provisions of this Act. Funds appropriated pursuant to this Act shall remain available until expended.

Mr. HATCH. Mr. President, I am proud to introduce with Senator KENNEDY and Senator KASTEN legislation to provide Federal assistance for the educational programs of the Simon Wiesenthal Center's Museum of Tolerance.

Since its founding 12 years ago, the Simon Wiesenthal Center has emerged as one of this country's foremost educational institutions on human rights. Through their innovative educational programs and award-winning film and mobile exhibits, the center strives to enhance public awareness on these important issues in the United States and throughout the world.

The Museum of Tolerance will enhance the center's educational capabilities. The museum, currently under construction and scheduled to open in the fall of 1992 will be the only institution in the world dedicated to teaching tolerance as it applies to all people. By tracing the origins of the Nazi Holocaust, the museum puts into context racism, prejudice, and the system of justice as they relate to life in the United States. Complementing this 35,000 square feet of exhibits will be the computer learning center. This interactive videodisc computer project will provide visitors with in-depth information on the Holocaust through the sophisticated technology of multimedia computers. This technology and library of the future can be easily exportable to universities, high schools, and educational centers in every corner of the United States.

I believe we have a responsibility to support tolerance education programs. We need to underscore our Nation's commitment to justice, equality, and respect for human rights. The Simon Wiesenthal Museum of Tolerance will go a long way toward giving tolerance education in this country the priority it deserves.

Mr. PELL. Mr. President, I am proud to join with Senator KENNEDY in support of a bill to authorize $5 million for the educational and research programs of the Simon Wiesenthal Center Museum of Tolerance. Since its establishment, the center has endeavored to provide accurate and compelling information about one of history's most tragic events, the genocide of the Nazi Holocaust. It strives to educate the general public—with a particular emphasis on students—and to serve as an invaluable resource for educators, historians, writers, and journalists. As the demands to meet the needs of an ever increasing audience grow, so do the structural, organizational, and financial needs of the center. A show of fiscal support would clearly demonstrate the importance our Nation ascribes to the study of such tragic events and to the constant vigilance against future recurrence.

The Simon Wiesenthal Center operates on two fronts. It is at once an educational center disseminating historical information and a research facility for historical investigation. Visitors to the center will find interactive educational activities designed not merely to inform but to actually challenge their own values and attitudes. It is the philosophy of the center that the Holocaust was not simply an historical phenomenon but a contemporary issue, the roots of which—prejudice, fear, and hatred—we struggle with every day. And it is this emphasis on making the past relevant to the needs of today, in a context that encourages critical thought, which makes the center such a valuable cultural and educational institution.

I had the opportunity last week to tour the center. It was a very moving experience, and I came away with the very strong commitment to assist the center in its crucial work.

The significance of the Holocaust is indisputable. What we grapple with now are the steps we will take to preserve the memories of the past, no matter how unsavory, to learn lessons for the future. We must demonstrate with action, not just with commitment of the heart, that we remain unfaltering in our vigilance against oppression. We must provide the resources wherever and whenever possible for the preservation of the ideal of freedom which characterizes the American experiment. Our example must shine in the very fabric of the culture we encourage and create, and we must not miss the opportunity to assist the education of all citizens in the promotion of peace and justice.

Earlier this year, the Senate authorized assistance for the Wiesenthal Center as an amendment to H.R. 2666, the Mildred and Claude Pepper Scholarship Act. Unfortunately, it appears that the Pepper legislation may never go to conference. That situation makes it very clear that separate legislative action is necessary, which is the paramount reason we are introducing this bill today.

I believe it was George Santayana who once said, "Those who cannot remember the past are condemned to repeat it." The work of the center will most certainly ensure that we learn this tragic lesson of history over and over so that we will never again experience the horror of the Holocaust. It is a project that, without question, deserves our strong support, and I urge my colleagues to join me in making sure that this important legislation receives expeditious consideration.

Mr. CRANSTON. Mr. President, I rise today in support of S. 2300, a bill that would authorize support for educational programs at the Simon Wiesenthal Center's new Museum of Tolerance in Los Angeles, CA.

November 9 we will mark the 51th anniversary of the Kristallnacht, an ignominious day in the history of Germany, and indeed, all mankind. It was on this "night of broken glass" that the Holocaust turned the corner of history and brought civilization to its lowest depths. Over 50 years after the fact, I can clearly remember the horror I felt as I first read through the German language edition of Hitler's Mein Kampf and witnessed the horrific changes that took place in Germany as the Nazis rose to power.

In 51 years our world has traveled a long way from the horrors of the Holocaust. Ironically, it is this very fact—that we have come such a long way—that demands our eternal vigilance. It is of the utmost importance to our Nation and the nations of the world that we never forget the darkness of the Holocaust. While time will heal some of the wounds of this human tragedy, we must never use this healing as an excuse to forget the past.

Mr. President, since its founding in 1977, the Simon Wiesenthal Center in my home State of California, has established itself as one of the world's preeminent centers for studying and remembering the Holocaust. With an extensive international membership and hundreds of thousands of American families on its membership rolls, the Wiesenthal Center has become the largest institution of its kind—dedicated to examining and confronting the lessons of the Holocaust's contemporary applications.

The Museum of Tolerance, which is now under construction, is committed to developing educational materials which can be used to teach the painful, but necessary lessons of the Holocaust. In addition, the Wiesenthal Center's programs will confront the issues of racism, civil rights, and morality throughout both our society and the world. In light of recent events in our country which seem to indicate that racism is not dead, the Museum of Tolerance will provide an important and timely message on the evils of intolerance and insensitivity.

The bill authorizes $5 million for the museum's education programs. I am pleased that the State of Calfornia has already provided for a $5 million matching grant toward the construction of this facility. It is my hope, Mr. President, that the Senate will see fit to provide assistance toward the educational dimension of this worthy endeavor. As the Museum of Tolerance works to educate our youth on the evils of intolerance and the horror of the Holocaust, we serve two lofty purposes. First, we provide a living memorial—through the education of future generations—to all the victims of an overwhelming atrocity. Secondly, we guarantee that the often heard words "never again" ring true across the future.

Mr. President, I urge my colleagues to join me in supporting this important legislation.

**Mr. WILSON.** Mr. President, I am proud to be an original cosponsor of legislation to provide financial assistance to the Simon Wiesenthal Center in Los Angeles, CA, for the operation of education programs concerning the Holocaust at the Center's Museum of Tolerance.

It was a few short years ago that I stood in this Chamber to cast the crucial 67th vote enabling the Senate to adopt the international convention against all forms of racial and cultural genocide. With this monumental action we collectively condemned the evil motives of men and governments that led them to systematically exterminate entire populations as a result of what they believed or the cultures into which they were born.

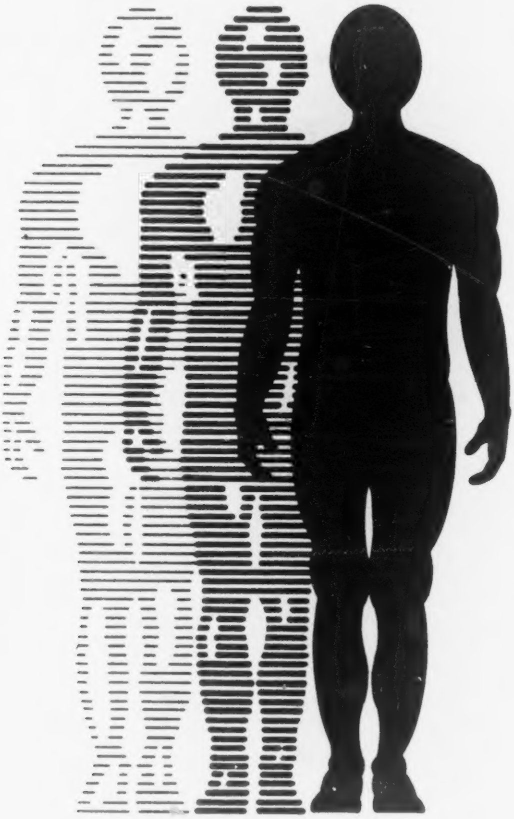
The legislation that we have before us today furthers our continued commitment to the proposition that those martyred millions of yesteryear did not die in vain. With this much needed Federal assistance the Simon Wiesenthal Center's Museum of Tolerance will be able to effectively confront those vital issues of morality and human dignity.

The Museum of Tolerance will be the first institution of its kind to examine prejudice and confront persecution. With historical artifacts, documents, newsreel footage, photos, and state of the art multimedia technology, the museum will study human behavior, the history of racism in America, and highlight the tragic story of the holocaust. By confronting prejudice, and witnessing the inspirational stories of Martin Luther King, Jr., and Raoul Wallenberg, visitors will learn how each of us has the capacity to be a force for justice and humanity; that each individual can participate in the struggle to ensure our democratic values and way of life.

Most importantly, the museum's purpose is to never give our society or any society an excuse to forget. To those nations who refuse to pass the torch of human rights to their people, the museum is a reminder to them that the world is watching and that the world cares, that they will hear more than a few of the pleas of those who carry the spiritual blaze against prejudice.

The historical lessons to be learned will show that there is much to be done to combat intolerance around the globe. Those that have the fortunate opportunity to visit the Museum of Tolerance will leave knowing that they can and must make a difference and thus keep alive the hope that agony suffered by the just could yet bring victory.

# VITILIGO



NATIONAL VITILIGO FOUNDATION, INC.

## VITILIGO

What is Vitiligo?

Patients with Vitiligo develop white spots in the skin that vary in size and location. The spots occur when pigment cells, or melanocytes, are destroyed and the pigment melanin can no longer be produced. Melanocytes normally occur throughout the skin, and in the hair follicles, mouth, eyes, and some parts of the central nervous system. In Vitiligo, pigment cells can be lost in any of these areas. Common sites of pigment loss are:

- Exposed areas: hands, face, upper part of the chest
- Around body openings: eyes, nostrils, mouth, nipples, umbilicus, genitalia
- Body folds: arm pits, groin
- Sites of injury: cuts, scrapes, burns
- Hair: early graying of hair of the scalp, beard or other areas
- Area immediately surrounding pigmented moles
- Choroid of the eye

## THE FOUNDATION

When begun?

The Foundation was established in September 1985 in Tyler, Texas as a fully qualified non-profit tax exempt charitable foundation.

Objectives

- To locate, inform and counsel Vitiligo patients and their families.
- To increase public awareness and concern for the Vitiligo patient.
- To broaden the concern for the patient within the medical community.
- To encourage, promote and fund increased scientific and clinical research on the cause, treatment and ultimate cure of Vitiligo.
- To establish a central Vitiligo center and local treatment facilities.

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## CHAPTERS

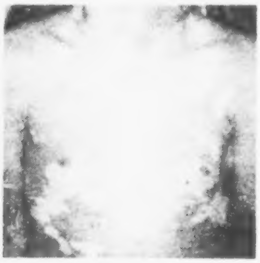
The NVFI has chapters in the following cities:

Streamwood, Illinois; Centerville, Ohio; Tyler, Texas; Houston, Texas; Nashville, Tennessee; Sharon, Massachusetts; Goldenvalley, Minnesota; Maplewood, New Jersey; Pennsauken, New Jersey

For names and phone numbers of chairmen write to the Foundation.

***NATIONAL VITILIGO FOUNDATION, INC.***
P.O. BOX 6337 · TYLER, TEXAS 75711
TELEPHONE 214-534-2925

**THIS IS VITILIGO** — A non-contagious skin disorder in which pigment cells are destroyed, resulting in irregularly shaped white patches on the skin which may spread over most of the body or remain dormant for years. Fifty percent of the patients will have had pigment loss by age 20.



NATIONAL VITILIGO FOUNDATION, INC.
Tyler, Texas 75711 • (214) 561-4700

TESTIMONY OF

ALLEN C. LOCKLIN

On behalf of

The National Vitiligo Foundation, Inc.

Regarding FY 1991 Appropriations

For

The National Institute of Arthritis and Musculoskeletal and Skin

Diseases Before the Subcommittee on H.H.S. Appropriations

of the U.S. House of Representatives

Testimony April 25, 1990

Mr. Chairman and members of the Committee, I am Allen C. Locklin. I have been honored in the past to appear before this committee along with members of several other skin groups and wish to thank you for that and the opportunity to again offer testimong for your consideration. I am a geologist and President of a small oil company. My wife and I are co-founders of the National Vitiligo Foundation,Inc., a non profit, charitable foundation formed to find, inform and counsel all Vitiligo patients and their families; to increase public awareness and concern for a patient within the medical community and to encourage, promote and fund increased scientific and clinical research on the cause, treatment and ultimate cure of Vitiligo.

Vitiligo, a non-contagious but hereditary disease is, as you can see from the enclosed color photographs, a disfiguring disorder resulting in pigment loss in the skin, showing as white patches. Except for itching and dryness of the skin and a greater chance for sunburn, there is no physical pain. But, as anyone who is the least bit vain can see, it presents a most disfiguring appearance, leading to extreme phychological and emotional problems for the patients, including suicide. Marriages, jobs and social activities are extremely effected by the occurrence of Vitiligo. Two years ago a young soldier was discharged from the army because of his Vitiligo, as being a socially unaccepted problem. Children in particular are subject to taunts, isolation and being ostracized because of their Vitiligo. Approximately 50% of all the patients have their Vitiligo before age 20.

The Vitiligo patient faces a greater risk of having Hyperthyroidism and Hypothyroidism, Pernicious Anemia, Addison's Disease, Alopecia Areata and Uveitis. It also appears that some connection exists between Vitiligo and melanoma, the deadly form of skin cancer.

Many patients literally withdraw from society, others disguise their problem by wearing long sleeves, high collars, makeup and stains. Basically, each patient wants to be just one color. Vitiligo is not life threatening but is is: "Life Altering".

Vitiligo effects all races equally. It is, however, more apparent in darker skin tones due to the sharp contrast between the white blotches and the pigmented areas. It is estimated that beetween 1% and 2% of the world's population has Vitiligo, which translates into 2½ and 4½ million Americans having the disease.

As a Vitiligo patient who has suffered the devastating effects of the disease, I have been trying to make a difference in Vitiligo. Our foundation is only 4½ years old, and it is very apparent that the Vitiligo patient has long suffered in silence and they are overjoyed to know someone is trying to help them. I have received letters and phone calls from around the world. We now have enrolled over 1250 doctors in 50 countries concerned about Vitiligo and anxious to help. These doctors are basically up to date on Vitiligo and its treatment and are eager to learn of new research. We are acting to some degree as a clearing house for them. Currently, we are examining information from other countries, including China, Egypt and Cuba. The Cuban drug Malaginina has received attention from around the world with patients eagerly traveling there at great expense to seek a cure. The drug is currently under scrutiny in the USA but is not yet approved for use here.

Two members of our Medical Advisory Board attended a Melagenina Vitiligo Conference in Havana, Cuba in June of 1989 and based on their findings and given the current availability of research data the drug does not offer much encouragement for an effective treatment for Vitiligo for most patients.

Of considerable interest is an herbal treatment offered by Dr. Jin Qixiang on Visa from China in Bangkok Thialand. Many patients have trekked to Bangkok to receive the treatment which does show promise. The Egyptian drug Khellin was expected to have been approved within the last 12 months. Doctor Rebat Halder has done extensive research on this drug, but final approval is still forthcoming.

Unfortunatley, many patients with Vitiligo have been told by their doctors to, "Just learn to live with it". This is clearly wrong. There is hope. There are forms of treatment that offer some success for repigmenting. It is time consuming, tedious and expensive, but to some, it is worth it.

For the most part, treatment has only slightly improved over thousands of years. We still rely mainly on the psoralen drugs which were first used by the Egyptians 4000 years ago. You can see that we have not come very far. Research is going on, thanks to this committee, but, it is very limited and much more is needed. Certainly any cuts in funding would be very detrimental to the program.

Vitiligo falls under the National Institute of Arthritis and Musculoskeletal and Skin Diseases designated by Congress in 1987. With the exception of some very small individual grants, only the money budgeted to the Consortium of Yale, Massachusetts, Cincinnati and Howard Universities is directed toward Vitiligo research. We support the level of funding proposed for FY 1991 by the Coalition of Voluntary and Professional Associations Concerned with Programs of the NIAMS from which that money is derived.

We were most gratified by the support Congress gave in 1990. It is most important to point out that the cross-over benefits of research can often lead to discoveries that aid patients with diseases other than that being researched. This adds importance to the need for continued funding for research on the many disease problems of the populace.

Once again, I would like to thank this committee for its concern, compassion and support of the many skin disorders you've so patiently evaluated by listening to, reading about and observing the patients and their needs.

Thank you.

Sincerely,

NATIONAL VITILIGO FOUNDATION, INC.

Allen C. Locklin

*Federal Professional Nurses Association*

Local 2707 – A.F.G.E.
Washington, D.C.

Statement of Helene K. Frank, R.N., B.A., C.O.H.N.
President, Federal Professional Nurses Association
Local 2707, American Federation of Government Employees
Before the Subcommittee on Labor, Health and Human Services
and Education and Related Agencies
of the
House Appropriations Committee
House of Representatives, Washington, D.C.

February 1990

February 1990

Mr. Chairman:

I am Helene Frank and I represent the full-time Federal occupational health nurses who staff the government's Public Health Units. Thank you for affording us the opportunity to submit this testimony regarding the provision of health care to Federal employees.

We nurses are sorry to report that, despite the efforts of this Committee, the quality of government employee health care continues to deteriorate and the job security of the full-time Federal nurses who staff the PHS Units is in more serious jeopardy today than when we last reported to you.

Last year after we nurses submitted testimony to you, the Committee adopted Report language advising the Department of Health and Human Services of your continuing concern that PHS, in its efforts to restructure its Federally staffed occupational health program, should protect the rights of the career employees who staff the health units. The Committee expressed its lack of conviction that the plan to reassign nurses in the Washington, D.C. area, and designating them as resource nurses, will prove cost-effective. The Committee encouraged PHS to provide at least one full-time Federal/Career employee at each health unit. Finally, the Committee requested that the Department submit a report on the status of the program and the extent and cost of contract services.

The Department has not complied with the Committee's directions and has yet to file the report that you requested.

This Committee has consistently advised the Department of its conviction that it is in the best interest of Federal employees for PHS to continue to operate health units throughout the Government under reimbursable agreements and to staff these health units with at least one full-time Federal occupational health professional position.

Nevertheless, in the past year, HHS has persisted in the effort to implement its Resource Nurse Proposal, a scheme to remove several Federal nurses from the units where they serve in the Washington, D.C. area and to replace them with private contract personnel.

The Union has tried repeatedly, but without success, to get the Department to acknowledge and respect the directions of this Committee. Finally, faced with the threat of imminent implementation of the Resource Nurse Proposal, the Union filed an unfair labor practice charge against the Department. The matter is now pending before the Federal Service Impasses Panel of the Federal Labor Relations Authority. Throughout the course of the proceedings, the Department has remained inflexible in its position that it intends to reassign full-time nurses from the Units where they serve and to replace them with private contract personnel. To this day, the Department adamantly and arrogantly refuses to obey the directions of this Committee.

Meanwhile, the nursing crisis worsens. The level of full-time Federal occupational health nurses nationwide continues to decline. An expert panel, under the sponsorship of the Department, has concluded that the widespread shortage of RNs persists; that the shortage is critical; and that it is adversely affecting the quality of patient care. To alleviate the shortage, the panel recommends that immediate action be taken to improve both nurse compensation and the nursing working environment so as to discourage RNs from abandoning their nursing careers.

Yet, ignoring these findings and recommendations, the Department has committed itself to a policy of privatization, a policy which has already caused a serious loss of qualified nursing personnel and a steady decline in the quality of health care provided to Federal employees.

The Department's action, we believe, places the health of government workers at risk. While the demand for the specialized services of occupational health nurses continues to grow, the Department insists on replacing full-time Federal nurses with private contract nurses. The use of contract nurses to staff Public Health Units is the reason for the deterioration in the quality of health care that government workers receive in the workplace.

Most contract nurses lack the essential skills of the occupational health nurse. These skills -- according to the American Association of Occupational Health Nurses -- are derived from several disciplines in the health sciences, including nursing, medicine, safety, industrial hygiene, toxicology, administration, and public health epidemiology.

Furthermore, most contract nurses are temporary employees. They do not stay long at any one agency. They do not get to know the employees and their environment. Consequently, there is no continuity in patient care. Contract nurses receive little or no supervision or evaluation. They develop no institutional loyalty. They do not care about the future of the occupational health program. And to top it all, they cost the government more than we do. The most recent Department statistics which we have been able to obtain demonstrate clearly that there is no cost efficiency gained by hiring contract nurses to replace us.

In fact, the Administration's effort to privatize the delivery of health care to Federal employees by replacing Federal full-time occupational health nurses with inexperienced, transient contract nurses continues to be a costly failure. Supply side economics has no place in our health units. The privatization of our specialized occupational health services is directly responsible for the measurable decline in the quality of health care government workers now receive on the job. In our view, privatization is an abdication of responsibility by the Department rather than a commitment to better care for Federal employees.

Privatization simply has not worked in the Public Health Service. The scarcity of qualified contract nurses has created a serious personnel crisis. Public Health Units throughout this Region, including those in the Washington, D.C. area, frequently are understaffed. Relief nurses are hard to find. Full-time nurses are over-extended.

Furthermore, the Department has yet to institute a screening process to insure that contract nurses are qualified in occupational health nursing. As a consequence, when contract nurses are assigned to Public Health Units, the number of clients served declines. Federal workers do not use Public Health Units as frequently when contract nurses are on duty. As a result, employee productivity suffers. We think that a loss of confidence has developed. Government workers recognize the poor quality of health care that privatizing provides. Within the past year, numerous Federal agencies have protested as well the dramatic increase in the cost of privatization.

PHS officals admit privately that privatization of public health services cannot be justified either on the basis of efficient public health practices or by the claim of potential cost savings. Nevertheless, the Department continues to foister privatization on government employees with the promise that savings will be realized by contracting out nursing services under OMB Circular A-76.

These "savings" are bogus; they have never materialized. In fact, the General Accounting Office testified recently that there is no proof that privatization saves money or promotes efficiency.

We believe that it is more costly for the Government to contract out occupational health nursing services than to have full-time Federal nurses perform them. Moreover, serious doubts have been raised regarding the quality of care provided by privatization of public health nursing services. The propriety of contracting out these services needs to be thoroughly studied.

As you know, Mr. Chairman, the resources of our small Union are very limited. We nurses are no match in size or strength for the Department of Health and Human Services, which thus far has shown neither compassion for our position nor respect for your authority. We are compelled, therefore, to request your assistance, once again, for ourselves and for the government employees we serve.

We urge this Committee to include language in your Report prohibiting the reassignment of full-time Federal nurses from the PHS Units where they serve in the Washington, D.C. area in order to replace them with contract personnel. We also request that the Committee adopt language disagreeing to any proposed reduction in full-time nursing positions for fiscal year 1991 to comply with OMB Circular A-76 management initiatives.

We request further that you direct the Department to submit a report to the Committee which shall include an assessment of the impact of contracting out nursing services on the quality of health services provided to government workers at the worksite, as well as a comparison of the estimated versus actual savings for A-76 studies performed over the past five years.

Finally, Mr. Chairman, we nurses want you to know how deeply we appreciate the Committee's efforts to preserve the quality of health care for Federal employees, and we are thankful as well for the concern you have shown for our welfare.

## Proposed Appropriations Committee Report Language

Federal employees occupational health

The Committee believes the Public Health Service proposal to reassign Division of Federal Employee Occupational Health Nurses in the Washington, D.C. area, and to designate these nurses as resource nurses, contravenes the express direction of this Committee that Government health units be staffed with full-time Federal occupational health professional positions. Therefore, the Committee directs that the Public Health Service suspend implementation of these reassignments pending study of the advisability of contracting out nursing services.

Moreover, the budget submitted by the Department of Health and Human Services has requested reductions to reflect savings anticipated as a result of contracting out certain activities to private industry pursuant to OMB Circular A-76. The Committee is concerned that these proposed "savings" may never materialize. Furthermore, the Committee has serious doubts regarding the propriety of privatizing the provision of occupational health nursing services.

For these reasons, the Committee does not agree to the requested reductions for A-76 management initiatives. Within the available budget authority provided the various agencies of the Department of Health and Human Services, those positions which were proposed for reduction shall remain available for full-time Federal nursing personnel.

The Department is directed to submit a report within 90 days on the impact to date of contracting out on the quality of health care provided Federal employees. This report should also contain a comparison of the estimated versus actual savings for A-76 studies performed over the past five years.

Statement by the

Food Marketing Institute

to the

Subcommittee on Labor, Health and Human Services,
Education and Related Agencies

of the

Committee on Appppropriations

of the

House of Representatives

March 8, 1990

## Food Marketing Institute
## Summary of Statement - HHS/HCFA FY [illegible] Appropriations

1. HCFA's current regulations governing prescription drug reimbursement under Medicaid are simply not working. Pharmaceutical manufacturers' prices are skyrocketing while retail pharmacies remain the sole focus of cost-containment efforts. In an overwhelming majority of cases, pharmacies do not receive an adequate return on investment or actually lose money when dispensing Medicaid prescription.

2. Despite not having the authority to ratchet down on Average Wholesale Price (AWP) as a payment parameter for prescription drugs, HCFA has escalated its attack on State Medicaid programs that reimburse at full AWP. During the past year, HCFA has accused more than a dozen states of being out of compliance on AWP including Iowa, Kentucky, Louisiana, North Carolina, Arkansas, Oklahoma, New York, and New Mexico.

3. Over the years, HCFA has conscientiously refused to pursue meaningful cost savings reforms for Medicaid drug benefits including implementing a policy for reducing administrative costs through the use of an electronic claims processing system.

4. HCFA's original regulations are more than 15 years old and these policies have failed to tap into the advantages of the competitive marketplace and emerging technology.

## FMI Recommendation

1. Prohibit the use of any funding by HCFA for the purpose of intimidating or prohibiting State Medicaid plans from utilizing full AWP as a payment parameter provided that these jurisdictions can stay within their aggregate upper payment limits.

2. Clarify that if HCFA intends to seek reductions in AWP, the agency must follow the Administrative Procedures Act and commence new rulemaking with an opportunity for comment.

3. Legislate a new reimbursement system to reflect utilization and price controls in the non-third party, pro-competitive setting which would embrace marketplace pricing, greater emphasis on generic drugs and electronic claims processing.

## Introduction

The Food Marketing Institute (FMI) appreciates the opportunity to submit for the record written testimony regarding the Fiscal Year 1991 Appropriations bill for the Department of Health and Human Services (HHS) and the Health Care Financing Administration (HCFA).

For the Subcommittee's background, FMI is a non-profit association conducting programs in research, education and public affairs on behalf of its 1,600 members -- food retailers and wholesalers and their customers in the United States and around the world. FMI's domestic member companies operate approximately 19,000 retail food stores with a combined annual sales volume of $180 billion -- more than half of all grocery sales in the United States. FMI's retail membership is composed of large multi-store chains, small regional firms and independent supermarkets.

In addition, FMI represents close to 4,500 supermarkets that have pharmacy departments. Based on current industry trends toward larger store formats, we anticipate that the number of supermarket pharmacies will continue to increase in the coming years. In 1988, the most recent year for industry statistics, supermarket pharmacies accounted for more than $3.3 billion in outpatient prescription drug sales, approximately 13 percent of the retail prescription drug market.

## FMI's Interest in Public Policies Affecting Prescription Drugs

Recognizing that pharmacy departments within retail grocery stores will capture a greater share of outpatient prescription drug sales during the 1990's, including private-pay, third-party and Medicaid, FMI has a direct interest in the formulation of public policy as it relates to health care and the delivery of prescription drug products and services to consumers and beneficiaries. It is in this context that we wish to comment on the FY 1991 Appropriations bill for HHS and HCFA. More specifically, FMI's statement will focus on current federal drug reimbursement policies which govern how retail pharmacies are compensated for providing medications to needy recipients. We will also offer suggestions on how this federally assisted program can be vastly improved.

## Medicaid Program Needs to be Revitalized

As the Subcommittee knows from previous appropriation hearings dating back to 1985 and testimony that was presented by other retail pharmacy organizations, there is and remains an ongoing problem with Medicaid reimbursement policies for prescription drugs. Simply stated, the current regulations governing drug reimbursement for the Medicaid program are woefully unfair to retailers, terribly inefficient, and inexcusably outdated in relationship to the realities of the marketplace and emerging technology. The crux of the problem is that HCFA's regulations and its cost-containment activities are narrowly focused on retail providers and nowhere else.

In terms of the total retail price of a prescription drug, close to 75 percent is the cost of product, where as less than 25 percent is associated with a retailer's operating expenses, and hopefully, some form of return on investment. Pharmacies have very little leverage or control over a manufacturer's prices for drug products and it is not uncommon to see a pharmaceutical company increase the price for a given product several times within a 12-month period. Consequently, when HCFA incrementally squeezes down on pharmacy reimbursement which further reduces a retailer's gross margins, this makes the filling and dispensing of Medicaid prescriptions a losing proposition.

On the issue of inefficiency, HCFA's regulations remain extremely complicated. Moreover, the agency continues to rely on an artificial formula which produces minimal program savings, while requiring costly and unnecessary administrative overhead to monitor the marketplace. And, on the question of the Medicaid drug reimbursement program being outdated, there has been little in the way of substantive change to these regulations which were originally developed more than 15 years ago when Richard Nixon was President of the United States. In 1987 HCFA made some superficial changes to its Medicaid reimbursement policies for prescription drugs. Regretably, however, the agency rejected several potentially innovative proposals and promulgated the same outdated regulations that essentially perpetuate most, if not all, of the Medicaid program's worst reimbursement features. Thus, we in retail pharmacy find ourselves exactly where we were 15 years ago with an antiquated program that has failed to tap into the advantages of a competitive marketplace and the benefits of emerging technology.

That the current regulatory scheme simply is not working is evident by the spiraling costs for prescription drugs. While HCFA appears satisfied with maintaining the status quo, manufacturers' prices are escalating unabated at a frightening pace. These price increases are affecting all consumers and in particular the elderly and the poor who can least afford them. This intolerable situation is further compounded as retail pharmacies are forced to adjust their pricing schedules to compensate for inadequate reimbursement rates under Medicaid by cost-shifting some of these transaction losses to cash-paying customers. In other words, because of the shortcomings of the current regulatory system, private pay patients are helping to subsidize Medicaid.

Further evidence of HCFA's unwillingness to pursue meaningful cost savings reforms for Medicaid is how the agency responded to the House Appropriations Committee's expressed interest in reducing administrative costs for prescription drug claims. It has been four years since the Appropriations Committee instructed HCFA to aggressively address this problem of managing drug claims in a more efficient manner. Over that period of time, HCFA submitted a report to Congress indicating that the agency supports an electronic claims processing system to reduce Medicaid administrative costs, but surprisingly, we have seen no action by HCFA in terms of implementing such a policy at the state level. In fact, contradicting this position, the agency actually blocked an attempt by Montana to implement an electronic claims processing system in 1987.

## HCFA Continues Attack Against AWP

Instead of looking to the future and exploring ways in which to improve the Medicaid and make the program more attuned to the market place in terms of outpatient prescription drug benefits, HCFA is once again devoting most of its energy and resources to pursuing its favorite stalking horse, namely its assault against State Medicaid programs that utilize full Average Wholesale Price (AWP) as a payment parameter. Notwithstanding the fact that HCFA clearly lacks the authority to ratchet down AWP without proposing new regulations, the agency has been carrying on this vendetta against AWP since 1983.

This situation and the controversy over AWP during 1989 has worsened considerably, resulting in turmoil at the state level for those jurisdictions that wish to reimburse retail pharmacies at full AWP provided that their expenditures stay below HCFA's upper payment requirements. In the past year, HCFA has accused more than a dozen states of being out of compliance on AWP, including Iowa, Kentucky, Louisiana, North Carolina, Arkansas, Oklahoma, New York, New Mexico, and others. Examples of correspondence from HCFA on what is occurring in Iowa and Kentucky accompany the FMI testimony.

Having briefly outlined this deteriorating situation for the Subcommittee in which both State Medicaid programs and retail providers find themselves at odds with HCFA on questions of policy over the use of AWP, FMI strongly recommends Congressional attention and the formulation of a new Medicaid reimbursement initiative by statute that cannot be subjected to the whims and interpretations of the bureaucracy. Such an undertaking would not be foreign to the Congress and could be easily accomplished. In short, what we are advocating is for Congress to use the experience and data from the Medicare Catastrophic Coverage Act (PL100 - 360) that the Congressional Budget Office (CBO) developed and incorporate them into the Medicaid program.

The advantages of revamping the Medicaid drug reimbursement policy to reflect the dynamics of the retail marketplace are very clear. For example, Congress would reaffirm its support and endorsement of the competitive, retail marketplace as the primary mechanism for controlling prescription drug prices and utilization. Secondly, Congress would once again underscore the importance of generic drugs as a cost-containment opportunity by encouraging the dispensing of these less expensive medications unless the physician dictates otherwise. Thirdly, the Congress would bring the Medicaid program out of the dark ages and into the future with emerging technology through the use of electronic claims processing and point-of-sale equipment.

## Greater Savings Through a New Reimbursement Policy

In our view, all of the aforementioned principles if incorporated into the Medicaid program would ultimately produce far greater savings than HCFA's current regulatory scheme. Therefore, FMI is seeking the Subcommittee's assistance in terms of starting a process by which a vastly improved Medicaid drug reimbursement program can be crafted through legislation. Specifically, with respect to the FY 1991 HHS/HCFA Appropriations, we urge the House Subcommittee not to appropriate any funds to HCFA to be used for the purpose of intimidating or prohibiting State Medicaid plans from utilizing full AWP as a payment parameter provided that these jurisdictions can stay within their aggregate upper payment limits as required by HCFA regulations. Moreover, FMI urges the FY 1991 HHS/HCFA Appropriations bill to clarify, as has been done in previous years, that if HCFA intends to seek reductions in AWP, the agency must follow the Administrative Procedures Act and commence new rulemaking with an opportunity for public comment.

## FMI's Position on Medicaid Reimbursement

To the extent that Congress has interceded in the past through Appropriations on the issue of AWP and other matters pertaining to Medicaid, such a restriction on HCFA in its FY 1991 funding measure would not be unreasonable. More importantly, this temporary moratorium would allow those Congressional Committees that developed the Medicare Catastrophic outpatient drug provisions the opportunity to begin working on a similar reimbursement package for Medicaid. In that HCFA's present policies have failed miserably in controlling prescription drug costs and that the agency continues to refuse to allow full AWP as a payment parameter, it is our belief that a new reimbursement approach for Medicaid is desperately needed. To this end, FMI advocates the adoption of the following principles to govern prescription drug reimbursement for Medicaid:

1. Legislate a reimbursement system to reflect utilization and pricing controls in the non-third party, pro-competitive setting, which embraces marketplace pricing or actual changes for both brand-name and generic drugs.
2. A generic drug, if available, must be dispensed, unless the physician indicates on the prescription form in his own handwriting the phrase, "brand medically necessary."
3. All administrative functions regarding recipient eligibility verification, level of benefits, and adjudication of the drug claim would be handled through an electronic claims processing system with point-of-sale equipment.
4. Better management and standardization of Drug Utilization Review (DUR) programs would be established.

FMI appreciates the opportunity to present this testimony to the Subcommittee and we ask that our views be given full consideration.

ATTACHMENT 4(

NOV 17 1989

Kansas City, Missouri 64106

Mr. Charles M. Palmer, Director
Department of Human Services
Hoover State Office Building, 5th floor
Des Moines, Iowa 50319

Dear Mr. Palmer:

Thank you for your response to our letter informing you that the State of Iowa was out of compliance with Federal regulations, 42 C.F.R. section 447.331(b), estimated acquisition cost (EAC), (as defined in 42 CFR section 447.301).

The Plan of Correction submitted by the State for determination of estimated acquisition cost would appear to meet the requirements for compliance with this portion of the regulation. However, since the implementation of this change would not become effective until July 1, 1990, we are unable to accept the plan. We are, therefore, submitting this information to our Central Office with a recommendation that formal compliance action be initiated.

The Plan of Correction submitted by the State also contains a provision for determining the payment of dispensing fees. The use of a "mark up" system based on a percentage of EAC for dispensing fees is not acceptable. We feel that the State of Iowa should review further options before submitting a Plan Amendment containing such a provision. In addition, the State should assure that the State Plan contains a provision to meet the requirements of 42 CFR 447.331(b) that the Medicaid program will not pay in excess of the lower of the providers' usual and customary charge to the general public or the EAC plus a reasonable dispensing fee.

If you have further questions regarding this issue, please contact William R. Blake, Jr. at (816) 426-5925.

Sincerely yours,

Gene Hyde

Gene Hyde
Regional Administrator

STATE OF
IOWA
TERRY E. BRANSTAD, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
CHARLES M. PALMER, DIRECTOR

September 25, 1989

Gene Hyde
Regional Administrator
Health Care Financing Administration
Federal Office Building
601 East 12th Street
Kansas City, Missouri 64106

Dear Mr. Hyde:

This is in response to your letter of September 15, 1989, notifying the Iowa Department of Human Services of non-compliance with 42 C.F.R. 447-331(b)(1) regarding upper limits of payment for "other drugs" in State Medicaid programs.

As you pointed out, the current Iowa Medicaid State Plan defines the reimbursement component of drug ingredient cost as average wholesale price (AWP). In February of 1987 the Department implemented administrative rules reducing the reimbursement for drug ingredient cost to AWP less 10.59%. This was the result of legislative intent language directing a study to be followed by implementation of the reduction. This change was not popular with the Iowa Pharmacists Association which successfully lobbied the Legislature to return reimbursement to AWP effective on July 1, 1987. This policy has remained in effect.

Because legislative intent was made clear in this directive, we believe it necessary to utilize the legislative process to make any change to the policy.

Therefore, we are unable to submit a State Plan amendment at this time. However, it is our intent to pursue a change in legislative direction on this issue in the 1990 session of the General Assembly beginning in January. The desired result will be a change in drug ingredient cost reimbursement to an amount less than AWP to be effective on July 1, 1990. A State Plan amendment can then be submitted in the July-September quarter of 1990. The proposed reimbursement formula would be: Estimated Acquisition Cost = AWP less X% + Dispensing Fee + X% of EAC. The percentage of EAC figure would be intended to recognize inventory costs which are particularly an issue with very high cost drugs.

I would appreciate your response regarding the acceptability of this proposal in meeting the requirements outlined in your letter.

Sincerely,

C. M. Palmer
Charles M. Palmer
Director

CMP/RJM/alm

Federal Office Building
601 East 12th Street
Kansas City, Missouri 64106

SEP 15 1989

RECEIVED
SEP 18 1989
HUMAN SERVICES
COMMISSIONER'S OFFICE

Mr. Charles M. Palmer, Director
Department of Human Services
Hoover State Office Building, 5th Floor
Des Moines, Iowa 50319

Dear Mr. Palmer:

The purpose of this letter is to notify the Iowa Department of Human Services (DHS) that Iowa's Medicaid program is not in compliance with 42 C.F.R. section 447.331(b)(1). This Federal regulation establishes the upper limits of payment of "Other drugs" by State Medicaid programs.

The above regulation provides that State payment for other drugs must not exceed the lower of the estimated acquisition cost (EAC) plus reasonable dispensing fees, or the providers' usual and customary charges to the public. Estimated acquisition cost is defined as "the agency's best estimate of the price generally and currently paid by providers for a drug[.]" 42 C.F.R. section 447.301.

Under Iowa's Medicaid State Plan, payment for other drugs is based upon the pharmacist's usual and customary charge, not to exceed the average wholesale price (AWP). The State's "practice" (i.e., its actual payment determination methodology) follows its State Plan. Thus, neither Iowa's Medicaid State Plan nor its practice are in compliance with the Federal regulations discussed above.

The Health Care Financing Administration does not consider Iowa's use of AWP to meet the requirement that the upper limit of payment not exceed EAC or usual and customary charges. Mounting evidence, including a report by the Inspector General and a number of surveys in individual States, has revealed that the AWP prices are frequently inflated and do not reflect the various incentives, sales promotions and discounts and allowances available to pharmacies.

Please submit a State Plan amendment to the Regional Office within 2 weeks of the date of this letter that meets the requirements of the Federal regulations cited in this letter. If an approvable State Plan amendment is not submitted, we will then determine the next step to take under section 1904 of the Social Security Act.

If you have questions regarding this letter, please contact William R. Blake, Jr. at (816) 426-5925.

Sincerely yours,

Gene Hyde

Gene Hyde
Regional Administrator

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

Region IV
101 Marietta Tower
Atlanta GA 30323

July 21, 1989

Refer to: MOB/MY

JUL 1989
RECEIVED
Dept. for Medicaid Svcs.
Commissioner's Office

Roy Butler, Commissioner
Department for Medicaid Services
Cabinet for Human Resources
275 East Main Street
Frankfort, Kentucky 40621

Dear Mr. Butler:

**RE: Title XIX State Plan Amendment 88-18 - Physician Services and Payment for Drugs**

We have received your response to our request for additional information and clarification regarding the above referenced State Plan Amendment. From our analysis of the response, we found that it was unacceptable for the reasons stated below.

1. It did not justify the use of discounted average wholesale price (AWP) in establishing the estimated acquisition cost (EAC) of a drug. The amount of the discount must be justified on the basis of supporting data. Such data was not submitted.

2. It did not include plan material which described and justified the EAC methodology.

3. If failed to make findings and assurances that, in the aggregate, Medicaid expenditures for "other drugs" were in accordance with the upper limit requirement specified in 42 CFR 447.333(b)(1)(ii) and (b)(2). Such findings and assurances must be supported by studies.

For the aforementioned reasons, we cannot approve this State Plan Amendment as submitted. Pursuant to the Federal requirements for processing plan materials, unless you withdraw your response to our request for additional information in order to prepare your response to meet the requirements stated above, our only alternative is to recommend disapproval to the Administrator of the the Health Care Financing Administration. Your withdrawal would stop the 90 day clock which began on June 29, 1989. The clock would restart when we received the necessary information and plan material.

Page 2

If you have any questions, please contact Mike Yates at (404) 331-2555.

Sincerely,

William R. Lyons

William R. Lyons
Associate Regional Administrator
Division of Medicaid

# state medicaid manual
## Part 6 — Payment for Services

Department of Health
and Human Services
Health Care Financing
Administration

Transmittal No. 14

Date AUGUST 1989

AUG 1989
RECEIVED
Dept. for Medicaid Svcs.
Commissioner's Office

| REVISED MATERIAL | REVISED PAGES | REPLACED PAGES |
|---|---|---|
| Sec 6305.1 - 6305.1 (cont.) | 6-71 - 6-73 (3 pp.) | 6-71 - 6-73 (3 pp.) |

**CLARIFICATION—EFFECTIVE DATE: NOT APPLICABLE**

**Section 6305.1, Upper Limits Requirements.— Clarification is provided regarding the use of published Average Wholesale Price (AWP) as a State's determination of Estimated Acquisition Costs (EAC).**

## 6305. SPECIFIC UPPER LIMITS FOR MULTIPLE SOURCE AND "OTHER" DRUGS

In 1976, the Department of Health and Human Services (HHS) implemented drug reimbursement rules at 45 CFR Part 19 under the authority of statutes pertaining to upper payment limits for Medicaid and other programs. The authority to set an upper payment limit for services available under the Medicaid program is provided under §1902(a)(30)(A) of the Social Security Act.

HHS rules are intended to ensure that the Federal Government acts as a prudent buyer of drugs under Federal health programs. The rules set limits on payments for drugs supplied under Medicaid and other programs. Of the Federal programs involved, these rules have the greatest impact on the Medicaid program.

In 1983, an HHS Task Force was established to review the Department's drug reimbursement regulations at 45 CFR Part 19. Specific concerns presented to the Task Force coupled with the Department's desire to take advantage of savings that are currently available in the marketplace for multiple source drugs, resulted in a revision of the regulations to change the procedures for drug payments. The final regulation was published on July 31, 1987 (52 Fed. Reg. 28648).

### 6305.1 Upper Limits Requirements. —

A. Multiple Source Drugs. —

1. Definition. — A multiple source drug is a drug marketed or sold by two or more manufacturers or labelers, or a drug marketed or sold by the same manufacturer or labeler under two or more different proprietary names or both under a proprietary name and without such a name.

2. Establishment of Limits. — Under the authority of §1902(a)(30)(A) and the regulations in 42 CFR 447.332, HCFA establishes a specific upper limit for a multiple source drug if the following requirements are met:

o All of the formulations of the drug approved by the Food and Drug Administration (FDA) have been evaluated as therapeutically equivalent in the current edition of the publication, Approved Drug Products with Therapeutic Equivalence Evaluations (including supplements or in successor publications); and

o At least three suppliers list the drug (which has been classified by the FDA as category "A" in its publication, Approved Drug Products with Therapeutic Equivalence Evaluations, including supplements or in successor publications) in the current editions (or updates) of published compendia of cost information for drugs available for sale nationally (e.g., Red Book, Blue Book, Medispan.)

3. Application of Limits. — Payments for multiple source drugs identified and listed in Addendum A must not exceed, in the aggregate, payment levels determined by applying to each drug entity a reasonable dispensing fee, established by the State, plus an amount based on the limit per unit set forth in Addendum A, which HCFA has determined to be equal to 150 percent of the published price in any of the above compendia for the least costly therapeutic equivalent that can be purchased by pharmacists in quantities of 100 tablets or capsules, (or, if the drug is not commonly available in quantities of 100, the package size commonly listed or, in the case of liquids, the commonly listed size).

The upper limit for multiple source drugs for which a specific limit has been established does not apply if a physician certifies in his or her own handwriting that a specific brand is "medically necessary" for a particular recipient. The handwritten phrase "brand necessary" or "brand medically necessary" must appear on the face of the prescription. A dual line prescription form does not satisfy the certification requirement. A checkoff box on a form is not acceptable, but, again, a notation like "brand necessary" is allowable. For telephone prescriptions, decide what certification form and procedures should be used. Providers may be allowed to keep the certification forms if the forms will be available for inspection by their agency or HHS.

B. "Other Drugs". — A drug described as an "other drug" is a brand name drug certified as medically necessary by a physician or a drug other than a multiple source drug. (See §6305.1.A.) Payments for these drugs must not exceed, in the aggregate, payment levels determined by applying the lower of the:

- o Estimated acquisition costs, plus reasonable dispensing fees, or
- o The provider's usual and customary charges to the general public.

Estimated acquisition costs (EAC) mean the agency's best estimate of the price generally, and currently, paid by providers for a drug marketed or sold by a particular manufacturer or labeler in the package size most frequently purchased by providers. For example, in the past, many States based the EAC upon Average Wholesale Price (AWP) levels as contained in various commercially available publications. However, a number of studies have shown that in recent years the drug marketplace has changed and there is a preponderance of evidence that demonstrates that such AWP levels overstate the prices that pharmacists actually pay for drug products by as much as 10-20 percent because they do not reflect discounts, premiums, special offers or incentives, etc. Consequently, absent valid documentation to the contrary, a published AWP level as a State determination of EAC without a significant discount being applied is not an acceptable estimate of prices generally and currently paid by providers.

§305.2 State Plan And Procedural Requirements. —

A. State Plan.— As required by 42 CFR 447.333(a) the State plan must describe comprehensively, your payment methodology for prescription drugs.

B. Findings.— As required by 42 CFR 447.333(b), upon proposing significant State plan changes in payments for prescription drugs, and at least annually for multiple source drugs and triennially for all other drugs, make the following separate and distinct findings, which may not be aggregated for these purposes. The findings can be supported by any documented, acceptable method of sampling, imputation and statistical analysis used to make the determinations:

o in the aggregate, Medicaid expenditures for multiple source drugs, identified and listed in §6305.1.A., are in accordance with the upper limit requirements established by that section, and

o In the aggregate, Medicaid expenditures for all "other drugs" are in accordance with the respective requirements noted in §6305.1.B.

C. Assurances.— Regulations in 42 CFR 447.333(b)(2) require that, upon proposing significant State plan changes in payments for prescription drugs, and at least annually for multiple source drugs and triennially for other drugs, you must make assurances satisfactory to HCFA that the requirements in §6305.1 and §6305.2 are met. The acceptance of satisfactory assurances is the basis of approval of a State plan.

D. Recordkeeping.— As required by 42 CFR 447.333(c), maintain and make available to HCFA, upon request, data, mathematical or statistical computations, comparisons and any other pertinent records to support your findings and assurances.

E. Upper Limits and Federal Financial Participation (FFP).— In your assurance letter indicate that you pay no more than the upper limits described in 6305.1, in accordance with 42 CFR 447.304(a), since as required by 42 CFR 447.304(c) FFP is unavailable for payments for services that exceed the upper limits.

**6305.3 Upper Limit Drug Price List Update For Multiple Source Drugs. — We have developed a price listing of multiple source drugs to which the formula in 6305.1 applies. The listing of these drugs and any revisions to the list will be provided through Medicaid program issuances on a periodic basis (possibly, semi-annually). The effective date of the new prices will be subsequent to the issuance of each new listing and will be included in the issuance. The listing is in Addendum A.**

STATEMENT FOR THE RECORD BY R. CLAUDETTE FISKIN, M.S.W., L.S.W.
TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE
LABOR, HEALTH & HUMAN SERVICES, EDUCATION AND RELATED AGENCIES
March 16, 1990

Subject: Advocacy for multi-family Chronic Fatigue Syndrome (CFS) patients in poverty

> In poverty I lack other things....
> In sickness I lack myself.
>
> John Donne

Mr. Chairman and members of the Committee, it is for all CFS patients whose physical burdens have been compounded by ultimate poverty, rigid social systems, and unevenhanded distribution of Social Security Disability Benefits, that I feel obligated to advocate for today as I take the opportunity afforded me to tell my multi-family member CFS story. It is my intent to be informative rather than critical in this presentation. However, at the same time, I hope to clearly relate what it means to be disabled with CFS and poor in 1990, America. Whereas, everyone is touched, and rightfully so, by the innumerable stories of CFS patients whose courage, will, and spirit helped them rise above the adversity of debilitating illness, shattered dreams, interrupted careers or educations, and ruptured relationships, I am certain that for every "overcoming" story, there are an equal number of "going under" stories that are never heard.

My story is representative of patients disabled by CFS, who cannot, therefore, support themselves and/or their families, and who must ultimately seek help from social institutions. It is both unsettling and disturbing in its portrayal of disabling illness, social systems failures, and human injustices. It is full of the darker side of reality that characterizes human tragedy with misfortunes we tend to believe happen only to "other people". It serves as a reminder of the fact that not all stories have happy endings.

## MULTI-FAMILY CHRONIC FATIGUE SYNDROME (CFS) PATIENTS' STORY

My 12 year old son and I became ill during the Summer of 1986 with an illness that has come to be known in 1990 as Chronic Fatigue Syndrome (CFS), and, to date, we have not fully recovered. This one sentence both summarizes the salient point of our CFS story and heralds the implications of this reality.

Instead of gradually getting better, we became worse at an alarming rate. The sheer number of physical symptoms was staggering, unlike anything either of us had ever experienced. At the onset of CFS, aside from the strange, "words-are-not-adequate-to-describe" fatigue that dramatically slowed us down, ultimately to a halt, we ran high temperatures, suffered severe headaches accompanied by stiff necks, and we were painfully light sensitive. Additionally, every joint in our bodies became swollen and painful, and the muscle aching felt like the most severe case of flu multiplied 10 fold. We suffered a multitude of neurological complaints, and our sleep cycle became chronically altered.

According to our physician, my son and I meet the full criteria for CFS as set forth by the Centers for Disease Control (CDC) in March, 1988. The fact that we met this criteria 2 years before it was established points to the fact that an illness without a name is still an illness, and whether or not the patient is recognized as ill, he is still in pain, and he suffers. After the initial siege of illness, our symptoms became more migratory with lessened intensity. However, they remain a constant feature in the chronic form of CFS we continue to experience 4 years later.

CFS is like a song with many verses, repetitiously held together by a chorus called fatigue. Patients readily recognize and understand each other by their litany of baffling, multi-system, somatic complaints. Others who have neither experienced daily debilitating fatigue nor cycles of physical symptoms, must ultimately bear the burden of responsibility to understand the plight of CFS suffers. It is apparent that the real breakthroughs in finding the cause and cure for CFS will come only after the illness gains broad-based recognition and becomes clearly understood as the serious public health problem that countless CFS patients already know it to be.

By September, 1986, my son and I were losing our struggle to remain on our jobs. My work consisted of a full schedule of private patients and consulting contracts as a Licensed Clinical Social Worker (L.S.W.). My son's work involved being an 8th grader. Ultimately, during the Fall of 1986, my son was placed on HOMEBOUND educational instruction, and I was forced to phase out professional obligations and discontinue work. We were bedfast for the first year of CFS.

Characteristic of CFS illness is the fact that symptoms tend to wax and wane. A common complaint of CFS patients related to this fact is that they can no longer conduct life in a reliable or predictable manner, and this sense of loss of control adds to the stress of coping with the illness itself. At the 4th year of illness, neither my son nor I have recovered to the 50th percentile of former functioning. There is no doubt that for many CFS patients, the illness is a life-altering experience

The subsequent loss of earning power, due to CFS, has proven particularly devastating for me and my family. Some of our losses are irrevocable. Perhaps the most shattering experience was the loss of our home and most of our possessions with little hope of future replacement. As a result of becoming a CFS family, we have experienced numerous life changes related to the limiting parameters imposed by illness and loss of economic security. (1) Our social life has altered. I am virtually housebound, and the bulk of my socializing is now done through telephone contacts. My son's social life is altered due to being Homebound for his education. (2) Our neighborhood has changed. We now reside in an apartment complex as opposed to our old, familiar, neighborhood of 10 years. (3) Our spending habits have radically altered. There is no discretionary income in our family now. (4) We eat differently. Instead of eating out routinely for special occassions, we now order in on rare occassions. (5) Household routines are changed. We now rely on daily household help for cleaning, cooking, shopping, and errands. (6) Our religious habits are changed. We no longer actively participate in church, relying now on private forms of worship. (6) Our recreational activities have altered. We use to swim daily in our backyard pool. Now I suffer exercise intolerance, and exercise for me is now at the level of physical rehabilitative therapy. My son has had to give up band because he could not keep up with the physical demands of marching, and he had to give up wrestling for the same reasons. (7) Our observances of special occassions is no longer the same. Due to the unpredictability of our health from day to day, we no longer have guarantees that just because there is a special event, we can take part or attend. I missed my son's High School Graduation , for example. My mother was recently hospitalized, and I could not be with her. My son missed the annual school testing days. He was ill the day he turned 16 and wanted to get his drivers lisence. (8) Keeping appointments is no longer the same. We routinely have to reschelude necessary medical and dental appointment numerous times in order to accommodate the parameters of CFS illness. (9) My parenting style has altered. I must now parent from the bed. (10) Work has taken on a new meaning in our family. My "work" now consists of taking care of my personal needs and handling miscellaneous sedentary tasks for short periods of time with rest periods between any activity. This narrative, for example,has taken the bulk of my "work energy for the past 4 weeks.

To date,progress my son and I have made toward regaining our health has been measured in terms of years instead of weeks or months. My son is generally healthier than I. His pattern of illness is characterized by a few weeks of relatively normal health and energy, followed by a week to 10 days of "back-to-the-bed" level of illness. It is not uncommon for him to require 15-18 hours of sleep to aid his recovery in his "down" times. His future is uncertain. Will he graduate from High School with his class? Will he be able to attend college? Will he be able to, ultimately, become self-supporting? For now, our family walks the shaky path of uncertainty , and we do the only thing that can be done...we simply do the best we can one day at a time.

The children of CFS have no voice but ours to tell their story. During these epidemic years of CFS, a significant number of children and teenagers have been side-tracked by chronic illness. The stress of suffering chronic illness has complicated and interfered with the successful resolution of naturally evolving developmental tasks for these children, and the jury remains out regarding the long-term consequences such illness disruption has caused. Aside from the high personal cost for CFS children, the cost to society will be felt as these young people will not be afforded the opportunity to fulfill their destinies in the market-place and as they will ultimately impact the Social Security Disability System. The way must be paved for them to be taken care of if they remain unable to fully care for themselves due to the disabling effects of CFS.

I would like to report that what has happened to me and my family during the past 4 years as a CFS family represents the exception to the rule, but based on contacts through Support Networks throughout Oklahoma, our home State, and elsewhere, I have heard versions of our experience described over and over. How our story of becoming ill with CFS and never fully recovering has translated into daily reality is "the rest of our [the] story".

## ADVOCACY FOR CFS PATIENTS IN POVERTY

Whereas CFS can disable the body, the added burdens of poverty can kill the spirit. For far too many CFS patients, it is an out-of-control, sickening, downward spiral to the lowest rung of the poverty ladder, and the journey is routinely frought with frustration, humiliation, and despair.

As a professional Social Worker, I once worked within the network of social systems I have now had to access as a CFS patient, and the first-hand experience, which is representative of a significant number of CFS patients has yielded the following sobering facts which clearly define what it means to be poor in 1990, America:

(1) Welfare subsidies do not reflect 1990 cost of living reality.

(2) Some states do not have welfare benefit categories for indigents.

(3) Waiting list of years are not uncommon for subsidized housing.

(4) Fair-market housing subsidy rates are often less than actual rent charges.

(5) Medicaid does not address testing and medication needs of CFS patients.

(6) Many physicians do not accept Medicaid patients.

(7) Food Stamp subsidies do not adequately feed a family for a month.

(8) The food Commodity program is nearly nonexistent in some states.

(9) Generally, Legal Aid programs are unprepared to represent CFS patients.

(10) Utility supplemental programs do not keep pace with rate increases.

Many CFS patients find themselves needing help from social institutions, but far too often, such patients face a cruel double-~~jepredy~~ Jeopardy. In addition to trying to cope with daily problems inherent to chronic illness, they are also required to try to meet basic survival needs of food and shelter. Aside from the fact that there is an ever-widening distance between those with resources and those without, the sick and disabled of this disinfranchised group, whose needs have not been met by society's safety net of institutional help, stand an ever-increasing risk of becoming totally invisible in society. Social systems failure, therefore, can be measured by the number of silent statistics that are diabolically, ultimately, unmeasurable. There is no adequate tracking system to account for the millions of people whose needs are not met by the very systems designed to meet their needs.

The one system I , along with countless other CFS patients, had the right to access based on work record, failed me. I was , ultimately, denied Social Security Disability Benefits (S.S.D.), at the Federal Review level, after an arduous 2½ year process. I am now in the process of applying for benefits for the second, and for me, last time ( I am disqualified from this system if I have not worked 5 of the last 10 years.). However, I was recently denied again, at the first level, in November, 1989.

In one year I will be what is called in my State of Oklahoma, an indigent. I will, literally, have no source of income. ( I currently receive Aid to Families with Dependent Children (AFDC), but as I will have no more minor children in a year, this source of income will cease.) I will be 47 years old, or to put it in another perspective, I will still be 15 years away from being eligible to drawn my own early Social Security Retirement Benefits at age 62. The crux of my personal tragedy, therefore, lies in the fact that I will be totally opted out of both Welfare and Social Security Disability Benefits in one year. I will, in effect, become a "silent statistic"

For the record, therefore, on behalf of CFS patients who must cope with poverty as well as chronic illness, I strongly offer the following advocacy statements:

(1) I advocate for social policy that assures all American who find themselves in desperate life situations, a guaranteed standard of living that addresses human needs based on the economic rality of the time.

(2) I advocate for a comprehensive housing program designed to provide adequate shelter for all Americans, in a timeframe that guarantees no one will be homeless.

(3) I advocate for expanded Medicaid guidelines that encompass the ongoing diagnosis and treatment needs of special illness groups, such as CFS patients, in such a manner that keeps pace with new information about said diseases.

(4) I advocate for the reordering of the health delivery system so that all segments of the population can receive the health care that meets individual needs.

(5) I advocate for a revamping of the Food Stamp Program with guidelines built in to assure that recipients can have adequate quantity and quality of food for the monthly time frame of issuance.

(6) I advocate for an evenhanded policy of granting Social Security Disability Benefits to patients who meet the Centers for Disease Control definition of CFS illness.

(7) I advocate for streamlining Social Security Disability System's procedures and time frames of response to meet the needs of those applying.

(8) I advocate for closer monitoring and supervision of Administrative Law Judges involved in the Social Security Disability process so they do not have opportunity to abuse the power of their positions.

(9) I advocate for a renewal of commitment to monitor the ethics of social systems management so that the very agencies designed to meet human needs do not become self-serving.

## CFS FUNDING RECOMMENDATIONS

Mr. Chariman and members of the Committee, as you go through your decision making process and make your final recommendations , I urge you to give thoughtful consideration for the needs of CFS patients in the coming year. Specifically, (1) increase funding to the Centers for Disease Control for all aspects of their current and ongoing CFS research; (2) increase funding to the National Institutes of Health for their research activities into the cause(s) of CFS;(3) increase funding for independent researchers;(4) earmark funds for physician and health professionals education;(5) earmark funds for public education on CFS;(6) designate funds to appropriate agencies for coordinating international information about CFS;(7) designate funding for the establishment of a National Research Center for CFS; (8) earmark funds for each State to aid in the establishment of CFS information and physician referral services.

Chronic Fatigue Syndrome is a complex medical problem. It is a disease of unknown origin, and, to date, there is no known cure. Chronic Fatigue Syndrome can and does , often, cause disability to many thousands of patients each year. Because of these facts, Chronic Fatigue Syndrome presents challenging bio-social and bio-political problems that must be addressed at the National policy-making level. To the degree that Chronic Fatigue Syndrome is recognized and treated as a major public health concern, is the gauge CFS patients can use to measure hope for their future.

Thank you for entertaining patient reports for the Record during your Committee sessions this year.

Ms. R. Claudette Fiskin, M.S.W,L.S.W
1223 Fox Croft Circle, #1
Muskogee, OK 74403

# TESTIMONY BEFORE THE UNITED STATES DEPARTMENT OF EDUCATION, LABOR, HEALTH AND HUMAN SERVICES AND RELATED AGENCIES SUBCOMMITTEE ON APPROPRIATIONS

by
Frank Lomax, III, Chair
National Afro-American Museum and Cultural Center
Advisory Planning Council
March 26, 1990

I am Frank Lomax, Executive Vice President of the National Urban League and Chair of the Advisory Planning Council of the National Afro-American Museum. I would like to place before the U.S. Dept. of Education, Labor, Health and Human Services and Related Agencies Subcommittee on Appropriations an appropriation request in the amount of 24.5 million dollars to be provided in the Fiscal Year 1991 budget. This amount is for the second phase of planned construction for the National Afro-American Museum and Cultural Center (National Center for the Study of Afro-American History and Culture) at Wilberforce, Ohio.

The history of Congressional consideration of the National Afro-American Museum dates back to 1970 when Clarence Brown, then representing the 7th Congressional District of Ohio, introduced legislation to establish, by act of Congress, a National Afro-American Museum in Wilberforce, Ohio. In 1976, Congress passed legislation (Public Law 94-518) directing the Secretary of the Interior to prepare a feasibility study for a National Museum of Afro-American History and Culture at or near Wilberforce, Ohio. The result of the two-year study found Wilberforce a suitable site for a National Museum. With the enactment of Public Law 96-430 in 1980, Congress provided the legislative vehicle for the creation of the Museum and for receiving congressionally appropriated funds to support its establishment and operation.

Interwoven through this chronology of federal legislation is a separate record of action taken by the State of Ohio in support of the development of the Center at Wilberforce. In 1972, the State - demonstrating its determination to be a leader and full partner with the federal government - enacted legislation which authorized expenditures in support of the creation of a National Afro-American Museum at Wilberforce. In sections 149.302 and 149.303 of the Ohio Revised Code, the State made provision for the Ohio Historical Society's establishment and oversight of a National Museum of Afro-American History and Culture at Wilberforce. This legislation also provided for the creation of the National Museum of Afro-American History and Culture Planning Council. This body was charged with on-going consultation with the State's Historical Society for the purposes of advising the Society in the performance of its duties pursuant to the establishment and operation of the Museum and Center. In 1983, sections 149.302 and 149.303 of Ohio law was revised to direct the State's Historical Society to "convey title to the Museum and its contents to a private non-profit organization which shall operate and maintain the Museum." The Ohio Code anticipates increased federal involvement in the establishment of the Museum's permanent governing body.

Since 1976, the State of Ohio has appropriated $14,000,000 for the National Afro-American Museum. The original 88-acre site of Wilberforce University (founded 1856) was purchased as the site for the Museum in 1982 at a cost of just under $670,000. Architectural and engineering firms were employed and a master plan developed for a 240,000 square foot facility. The facility was planned for construction in four phases. Phase One, which includes 35,000 square feet of exhibit and public space, was completed and opened in the Spring of 1988.

Ohio currently provides the Museum $937,600 in operating dollars. In less than two years, the Museum has developed one of the largest collections of Afro-American materials: over 4,000 artifacts, 350 manuscript collections (83 linear feet), and thousands of photographs have been donated to the Museum by over 700 individuals nationwide. Over 65,000 visitors have enjoyed the Museum and its exhibits since April, 1988.

I submit written testimony to solicit federal support for the Second Phase of construction at Wilberforce. Congressional support at this critical juncture is imperative. Phase II of the Museum must be constructed if the charge of Public Law 96-430 is to be met; and Ohio has gone as far as it is able without a tangible show of support at the federal level. It is only with the completion of Phase II that the National Museum at Wilberforce will become a fully functional Museum. Phase II encompasses approximately 90,000 square feet of space, including the exhibit fabrication, photographic, conservation, and other shop areas essential to enable us to fulfill our congressional mandate as a National Center for the Study of Afro-American History and Culture.

A primary goal of the National Center is to train minorities as museum professionals to meet an ever growing demand for trained personnel by the 5,500 museums in the United States. The current number of minority museum professionals is small. The completion of Phase II will allow the Museum to assume its role as a National Center for training minorities to enter the museum profession. These individuals will find opportunities for employment at the Smithsonian Institution, National Park Service and other public and private institutions. The setting at Wilberforce, adjacent to two historically black universities, is ideal for this mission, and the administration and faculties of Central State and Wilberforce Universities have long pledged support of this goal. Phase II construction at the National Museum, however, is a pre-requisite to this Museum Studies Program.

In summary, it has taken over twenty years to come to this point - a state-of-the-art first phase. The original plan for a federal-state partnership has progressed thus far with Ohio bearing the financial responsibility almost exclusively. The Ohio General Assembly has altered the state legislation to provide for the Center to be owned and governed by whatever National Board is developed with the assistance of Congress. This action was taken in Ohio with the understanding based on Public Law 96-430 that Congress would begin to provide financial support for the National Center. We urge an appropriation of 24.5 million dollars in fiscal year 1991 for Phase II development to serve as a catalyst for additional state and private support to realize fully the expectations and dreams of the 96th Congress.

# TESTIMONY OF THE AMERICAN HUMANE ASSOCIATION AND THE COMMITTEE FOR HUMANE LEGISLATION

## STATEMENT IN SUPPORT OF INCREASED FUNDING FOR THE BIOLOGICAL MODELS, MATERIALS PROGRAM, NATIONAL CENTER FOR RESEARCH RESOURCES AT THE NIH FOR FY'91

SUBMITTED TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
Labor, Health and Human Services, Education
and Related Agencies FY'91 Appropriations
March 29, 1990

BY: Adele Douglass, Director, Washington Office
American Humane Association
322 Massachusetts Avenue, N.E.
Washington, D.C. 20002

Leslie Fain, Legislative Director
Committee for Humane Legislation
1506 19th Street, N.W. #3
Washington, D.C. 20036

ON BEHALF OF

The Massachusetts Society for the Prevention of Cruelty to Animals
The American Society for the Prevention of Cruelty to Animals
Animal Protection Institute
Doris Day Animal League
National Alliance for Animal Legislation
Humane Society of the United States

The American Humane Association, the Committee for Humane Legislation, the Massachusetts Society for the Prevention of Cruelty to Animals, The American Society for the Prevention of Cruelty to Animals, The Animal Protection Institute, The Doris Day Animal League, the National Alliance for Animal Legislation and the Humane Society of the United States request appropriations in the amount of $13 million for FY'91 for the Biological Models and Materials Resources Program, National Center for Research Resources at the National Institutes of Health.

The Biological Models and Materials Resources Program (BMMR) was established by NIH to fulfill, in part the mandate of Congress as expressed in the Health Research Extension Act of 1985 (P.L. 99-158). This program was established to provide for the development and support of non-mammalian models, such as cell systems, lower organisms, and nonbiological systems for biomedical research. Non-mammalian model systems can, and do, provide opportunities to advance the understanding of biological processes, and may provide valuable insights into mechanisms of biological function.

The FY'88 funding levels for BMMR were at $2.584 million and they were increased in FY'89 $3.75 million. There was an increase in funding to $5.364 million in FY'90. The budget request for FY'91 is for $5.356 million dollars.

With this small amount the BMMR funds various centers, awards grants and contracts for services related to the development of non-animal alternatives for biomedical research. BMMR also supports the American type culture collection, which distributes 100,000 cultures and micro-organisms to researchers each year. It also supports the Yeast Genetic Stock Center which maintains and distributes over 900 strains of the yeast Saccharomyces cerevisiae. This yeast is used in the complex genome project.

The small increase in funding for BMMR in FY'90 enabled the program for the first time to use $749,000 for an RFA (Request for Application) to award investigative grants on research proposals. The FY'91 request is for $787,000 for this purpose. We believe this is not an adequate amount.

At the above funding levels, in FY'90 BMMR would be able to fund only 4 - 6 investigative grants at an average of $100,000 - $150,000 direct costs per grant. We believe BMMR's funding level should be increased to allow it to fund at least 30 investigative and on-going grants at funding levels of $250,000 per grant.

We therefore urge this committee to add an additional $7.7 million to the centers request in order to fund these additional grants. This would increase the total funding for the BMMR program to $13 million dollars.

Those of us in the animal protection community strongly support the development, validation and use of alternatives to animals in testing. (The term alternatives refers to the reduction of the numbers of animals used, refinement of protocol to reduce pain and suffering and replacement of animals with appropriate non-animal models.) The Congress has supported research into the development of alternatives in the past and we hope will continue to do so by increasing the funding levels for this worthwhile program.

STATEMENT FOR THE RECORD BY JEAN COLE, 10541 WELLINGTON LANE, MAPLE GROVE, MINNESOTA, 55369, 612-424-5808, TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE, LABOR, HEALTH & HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

SUBJECT: Chronic Fatigue Syndrome March 24, 1990

Mr. Chairman,

For the record my name is Jean Cole. My two sons and I are living in a terrible kind of limbo, and none of us know how long we will be held here. We have an illness called Chronic Fatigue Syndrome. Both cause and cure are totally unknown.

Every day for us is a new battle with extreme weakness, fatigue, severe headaches, fevers, muscle pain, joint pain, chest pain, and sore throats. We also experience memory problems, dizziness, and difficulty concentrating.

My son Steve is seventeen. His old friends are enjoying classes, dates, sports, jobs, and are looking forward to senior year. Most of them have forgotten about him now, because he has not been in class with them for almost four years. He had been in gifted classes, played football, and was half way to his black belt in karate. He could have written his own ticket to the future. Now Steve is only able to be out of bed for a few minutes a day. His waking hours are spent in bed, where he watches TV or visits with people over his computer modem. There are times when he is too ill for even these activities. He tried to do his schoolwork at home, but is too weak and too lacking in concentration to study. He can rarely read even for enjoyment. He has the same hopes and dreams that other teenagers have, but he has no idea how long his future will be on hold. Homecomings, proms, state tournaments, dating, chemistry class, and report cards have all passed him by. He can never have them back. He has been ill for six years, and doesn't know if he'll ever be well.

My son Jim is fourteen. He has been ill for about two years. Like his brother, he could have been in gifted classes. He was known by everyone for his quick smile. He loves nature and animals, and used to ride his bike for hours through the park reserve near our home. He had a natural strength and agility that showed promise for gymnastics. Now he studies at home, taking correspondence courses. He has trouble with concentration, and has short-term memory problems. It is taking him two years to complete eighth grade. His face is white, and shows the strain of chronic illness. Due to probable metabolic disturbance from the illness, both Jim and his brother are far underweight. The once-lively Jim is now slow-moving, frail, and short of breath. He wants to get well so that he can become a therapist. He also wonders when and if that will happen.

Our daughter was born with a rare form of autism. The family all worked with her to help her break through to the world. We were told by the "experts" that she would never be able to function in the world. We brought her past screaming to talking. We read to her often. We worked with social interaction. She was able to attend school, excelling in reading and spelling. She attended public school through sixth grade. At that time, we chose to teach her at home, knowing that she could not deal with a huge junior high.

I am a wife and the mother of three children. I was once an active, energetic woman. I was tutoring my children, caring for my family and home, and enjoying activities with friends. I woke up one morning in October of 1987 with what I thought was a terrible case of the flu. Like my sons, I have never recovered. I spend most of my time in bed, getting up for only short periods of time. I am rarely able to prepare a meal for my family. I am often too ill to take a shower or get dressed. On a good day I might get out to lunch with my husband or a friend.

We are considering selling our home, because the stairs in our two story home are becoming increasingly difficult for us to climb. We have made the difficult decision to place our daughter in residential treatment, as I am now too ill to meet her special needs.

My husband is a cost estimating engineer. Along with the demands of his career, he worries about the future of his family. He has been very supportive, but I am concerned about the great deal of stress he is under. He is also a victim of our illness, and wonders when he will have a whole family again.

I am grateful that our family has pulled together in our crisis. Other patients have not been so fortunate. Some have been deserted by spouses who could not deal with their chronic illness. Many cannot work, and have lost their homes. Friends and family often fall away;

out of fear or denial. Too many deal with their illness alone.

We have an illness which raises many questions and has no solid answers. We do not know why we are ill, or if we will ever have our lives back again. While we all wait for a cure, the world is losing artists, teachers, writers, musicians, government leaders, doctors, psychologists, and many young people with the same potential.

I know many Chronic Fatigue Syndrome patients. Not one of us wants sympathy, but we do need understanding. This can only come from the continued education of the public and the medical community. With the help of the Committee and increased research funding we can dare to hope for a healthy tomorrow.

I would like to thank the Committee for your time and efforts on behalf of all CFS patients and their families.

Jean Cole

## STATEMENT FOR THE RECORD BY ROSE KRAME, 32-56 36th STREET, LONG ISLAND CITY, NEW YORK, 11106 TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES.

### MARCH 24, 1990 CHRONIC FATIGUE SYNDROME

My daughter after 41 years of good health, in January, 1985 came down with mononucleosis. After several weeks, she returned to work, only to have a relapse and was out for 2 weeks. She then worked part time for 4 months but she got progressively worse. By July 1985, she had fevers all days, sweats, diarrhea, swollen glands, muscle aches and weakness. She could not concentrate for more than a few minutes at a time. She had to stop working and spent most of her time in bed, unable to even look at T.V. for more than 15 or 20 minutes a day. During this time she was diagnosed as having Chronic Fatigue Syndrome. Since she lives alone, many days she would be too weak and foggy minded to make her lunch or dinner and would have to do without. Now, she is well enough most days to make her own meals and take a shower. Before and after each task, she must rest. Trying to vacuum one bedroom has put her in bed for two weeks. After 5 years of trying unsuccessfully numerous therapies, wasting thousands of dollars, she is still unable to work or have a normal life. She must consider moving to a smaller apartment. But where to move? Since her illness she has developed allergies to practically everything. Exposure to a chemical or perfume intensifies symptoms causing increased muscle spasms and weakness and making her mind so foggy, she cannot think.

Her life has become a constant hell of pain and flu-like symptoms. The scary thing is that no one knows the cause and no one knows the prognosis - will she recover or will this go on forever. Reading a book or solving math calculations are impossible.

Prior to becoming ill, she had received a B.S. in Biology in 1966 and an M.B.A. in 1984 and has worked constantly for 19 years. She was active in skiing, aerobics, dancing, politics, a member of the Board of Trustees of her Condominium Assoc., etc. She worked full time as a Section Headfor E.R. Squibb since 1978.

This devastating illness, mostly hits people in their 20's& 30's and can go on endlessly. As a mother it leaves me heartbroken and there is not much I can do and with no cure in sight.

ICA
Interstitial
Cystitis
Association
of America, Inc.

P.O. Box 151323, San Diego, CA 92115

April 1990

## Testimony for the House Appropriations Subcommittee on Labor, Health and Human Services, and Education

Honorable Chairman and Committee Members:

Women have made much progress in many areas. Unfortunately, as a recent GAO audit has revealed, equitable research funding by the National Institutes of Health has eluded us. Nowhere is the disparity between male and female research funding greater than in the field of urology.

Interstitial cystitis (IC) is an extremely serious disease. An NIH sponsored epidemiological study indicates that the disease affects approximately 500,000 Americans, mostly women. It strikes in the prime of life and there is no cure or effective treatment. IC costs its victims $1,700,000,000 in medical costs and lost wages per year and according to an NIH questionnaire, the quality of life is clearly below that of end stage kidney patients on dialysis.

In spite of NIH's own statistics and our efforts spanning more than 6 years, no significant progress has been made in obtaining NIH sponsored research. We have not made inroads in securing a fair share of the NIH urology budget because of a funding system that lacks disease specific planning and that allows the research community to set their own priorities based on interest, rather than the needs of society. That the needs of disease victims are not represented in the funding process becomes self-evident with the GAO audit that has determined that only 13% of the NIH budget addresses the health needs of women. In addition, it is estimated that another 20 million Americans are unrepresented because they suffer from orphan diseases.

Nowhere is the gender gap greater than in the NIH Division of Urology. This division deals with all diseases of the lower urological tract with the exception of cancer. Although we have been led to believe that urological disorders affect mostly men, a review of NIH's epidemiological data reveals that this perception is false. With the exception of bladder and prostate cancer (which are funded by the Cancer Institute), female urological disorders* predominate according to all criteria: They exceed in:

- **Total death rate**
- **Total population**
- **Total hospitalizations**

Although benign prostatic hyperplasia (BPH) is the most common surgery in the field of urology, hospital admissions for predominantly female disorders still exceed those of men. Unlike male disorders such as BPH and urinary calculi, disorders of women tend to be chronic, thereby draining the individual both emotionally and financially. The perception of male predominance in urology is based on some very misleading statistics; for example: We have been led to believe that 1 out of 4 men suffers from BPH. However, an accurate statement is that the patient population of BPH and interstitial cystitis is equal. Because BPH can be treated and cured, no more than 482,000 persons suffer from BPH each year and this figure remains constant. Additionally, we have been led to believe that there are enormous economic costs for male disorders. What the statisticians do not tell us is that these figures are due to the fact that men earn more than women. The economic cost of a disease is composed of direct medical costs and lost productivity, with the latter generally being the largest factor. The following data was taken off an NIH chart used to calculate lost productivity:

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* Note: A disease has been classified as either male or female if it affects one sex greater than 70% of the time.

**Present Value per Person (1985)**

| | Under 15 | 15-24 | 25-44 | 45-64 |
|---|---|---|---|---|
| Male | $214,133 | 259,499 | 235,489 | 82,225 |
| Female | 126,666 | 136,152 | 115,044 | 31,438 |

Now that we have established the seriousness of interstitial cystitis as well as other diseases of women, let us examine the NIH urology budget:

| | | % of Urology Budget |
|---|---|---|
| **Male Disorders**<br>BPH, stones, male sexual dysfunction* | | |
| Incidence/yr.: 1,482,000 | NIH $ 8,245,817 | 71% |
| Expenditure per person = $5.56 | | |
| **Female Disorders**<br>Interstitial cystitis, infection, incontinence, neurogenic bladder** | | |
| Incidence/yr.: 15,500,000 | NIH $ 1,470,338 | 12% |
| Expenditure per person = 9¢ | | |

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* Note: The incidence of male sexual dysfunction is unknown.

** No accurate data on the incidence of incontinence and neurogenic bladder is available. The estimate of a combined total of 7 million persons is conservative.

The remaining 17% of the urology budget is spent on basic research and other disorders affecting both men and women.

In the area of interstitial cystitis we have had a battle royal with NIH and competing medical interests for every research penny. These vested medical interests are well represented on NIH boards and committees. We, however, only have you to represent us. IC is presently receiving $915,722, not the 1.6 million claimed by NIH. Research on IC has recently been surpassed by studies on male sexual dysfunction which is now funded at the level of $1,126,862.

Last year, after 6 years of prodding, NIH issued its very first IC specific Request for Applications (RFA). We were promised a total of 1 million in funding for fiscal year 1989, $850,000 for the RFA and $150,000 for the National Registry. The results are in and they are devastating. Although a total of 13 excellent proposals were received by NIH in 1989, only 2 were funded for a grand total of $361,121. Also, instead of a National Registry, we received a Data Base for $120,171 which is merely a compilation of names of diagnosed IC patients.

The decision to divert IC budgeted funds into other urological areas was made by the NIDDK Central Advisory Council, Subcommittee on Urology, which is comprised of 1 lawyer and 5 doctors, 4 of whom work in the area of kidney disease. The difference in review scores between the projects that received our money and the IC proposals that were passed over was insignificant, very much like the difference between an A and an A+. The decision of the NIDDK Council has had a devastating effect on the IC research community as well as on patients. Even urologists in private practice here in San Diego have heard the news that the RFA on interstitial cystitis was nothing but a hoax. It is now highly unlikely that any researcher will ever again take an RFA on IC seriously.

In summary, the victims of interstitial cystitis appeal to you for justice. We, the women with urological diseases are the forgotten majority. We appeal to you for a specific IC earmark in the amount of 4 million dollars to bring interstitial cystitis up to par with other urological diseases. It is our hope for the future that all disease victims receive a pro-rata share of our research tax funds. Only you can make it happen. Thank you.

Sincerely,

Barbara Flanigan

Barbara Flanigan
President - Interstitial Cystitis
Association of America, Inc.
San Diego, CA
619-274-5454

# WRITTEN STATEMENT BY WILLIAM T. HARVEY, M.D., M.P.H. TO THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

April 1, 1990

William T. Harvey, M.D., M.P.H.
11609 Caprock
San Antonio, Texas 78230
TEL 512-690-9623

## STATEMENT BY WILLIAM T. HARVEY, M.D., M.P.H. TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

Washington, D.C. April 1, 1990

Subject: The Urgency to Augment Department of Health and Human Services Chronic Fatigue Syndrome Activities.

Mr. Chairman, I submit this testimony as a medical professional trained in Public Health, as a patient with Chronic Fatigue Syndrome, or CFS, and on behalf of family members, co-workers, and friends who have this illness. Chronic Fatigue Syndrome also carries other names such as Chronic Epstein-Barr Virus Syndrome and Atypical Poliomyelitis. In other English-speaking nations, it is known as Myalgic Encephalomyelitis.

I am aware that the 1989 Labor-HHS-Education Appropriations Bill, accompanied by report number 100-127, urged the NIH and Social Security Administration to expand activities related to CFS. The Centers for Disease Control was also funded for a modest expansion of surveillance of this illness. I am most grateful to this Committee and its staff for this response to Chronic Fatigue Syndrome.

It is my intent in this statement to discuss three important aspects of CFS. The first is the individual suffering caused by the illness. The second is my experience that CFS is widely prevalent nationwide, is infectious, and is growing. The third is that CFS is a real illness, now supported by serious research data, and is an urgent Public Health matter.

In the fall of 1987, I was working for a major Aerospace firm in California, responsible for the design and development of that firm's bid on the Health Maintenance Facility for the national Space Station Program. Following an outbreak of a "flu-like" illness in November, I and six other individuals on the program developed symptoms consistent with CFS. It was to be 6 months before I was able to name my illness, despite experience and formal training in worldwide infectious diseases as an Air Force Flight Surgeon.

The symptoms that I initially developed were similar to a severe case of influenza. They included severe muscle aches, unremitting headache, fever, "lightheadedness", and profound fatigue. These symptoms were overlaid with a total loss of my usual sense of well-being. For the next three months this sickness persisted, without remission, and I was bedridden for much of that time.

In February of 1988, three months into the illness, the "influenza-like" bouts became intermittent, but rapidly returned if I attempted exercise of any sort. Between periods of forced bedrest, I continued to feel ill in a global and difficult-to-define way.

During this phase of the illness, other symptoms began to appear. My heart rate became rapid, and I was continually aware of pounding in my chest even at rest. Headaches became daily experiences, beginning shortly after noon, and were unremitting until early morning, despite narcotic-strength medication. Sleep became impossible without hypnotic drugs. Low-grade fevers and night-sweating were common. Frequent and recurrent outbreaks of of cold sores and mouth ulcers began, and were to continue for the next two years.

Although painful and frightening, these physical symptoms were not the worst part of the illness. Far more frightening were the sensory and neurologic symptoms that began concomitantly with the physical symptoms, and paralleled them in intensity. Hearing sensitivity was diminished and accompanied by continual "ringing" in both ears. Vision was seriously impaired in low-light, with loss of clarity, persisting images, and "night-blindness". Sensations of pain and phantom touch occurred regularly on the skin surface and throughout muscle tissue. Both taste and smell were altered intermittently.

The symptoms that finally disrupted my professional career and my private flying were cognitive. My ability to remember recent events became seriously impaired, as did my attention span. Both became serious enough that I could no longer accomplish my work. Despite judgment difficulty, I recognized some of my impairment, and withdrew from employment in July, 1988.

These same cognitive difficulties resulted in near-disaster in mid-1988 on two solo flights, when I became disoriented and unable to follow the tower operator's instructions. Both flights ended successfully because of skillful ground-controller handling. The second flight was my last to date.

My constellation of symptoms is virtually identical to those of the other two hundred-or-so CFS patients whom I personally know or have interviewed. The only differences are in the order of symptom intensity and the overall degree of illness severity. The severity ranges from mild to total disability, with most patients unemployed and partially-functional. The illness seems to be lifelong, and yet it is not directly fatal. In each of us, it has been, and is, an unending nightmare, and is impossible to fathom unless and until you become afflicted with it. The closest analogy to help your understanding is to imagine the worst case of influenza you've ever had. Then imagine that it never ends. Add to that neurologic, cognitive, immunologic, and inflammatory complications. This is Chronic Fatigue Syndrome.

Having the illness, however, has been only a part of the CFS nightmare for me and most other patients. Most physicians are totally unaware of this illness. Many who are seem to believe it is psychological in origin, and in particular, is clinical depression. Until recently, it had no name, no identifiable causative agent, no recognized treatment, and no believable data. Prevalence is unknown. It is no wonder that, confronted with such a bizarre constellation of multi-system complaints and "normal" standard laboratory tests, the average physician could offer only ignorance or assurance. Many also chose, unfortunately, to offer discounting and rejection. For this reason, many CFS patients I have met have necessarily found their way to "fringe" practitioners, and are being treated with worthless remedies.

Despite widespread medical ignorance of this illness, my experience is that it is unexpectedly common. It simply remains "hidden" because of that ignorance. When traveling, visiting my home town, attending conferences, and even in my neighborhood, I have found people who have CFS. It is now easy for me to recognize. I simply look for those who have dropped out of work, have stopped exercising, or who talk of strange symptoms their physicians can't account for. I confirm my guess by having them complete an evaluation using the CDC 1988 criteria for CFS at one of the few regional clinics that are aware of the illness. In any group I have encountered in Texas, California, or Mississippi, I have not failed to find less that 1 or 2 CFS patients in a hundred; usually 4 or 5. Many have only recently contracted the illness.

My experience is that CFS is clearly infectious. My wife, also a physician, contracted the illness about ten months after I did, presumably from me. I have met several families where more than one member has the illness; most contracted it in a serial fashion. Recent evidence presented at

*The First International Conference on Chronic Fatigue Syndrome and Fibromyalgia*, February, 1990, of studies done at the University of Pittsburgh School of Medicine, support this observation.

Data is now appearing in serious medical peer-review journals, by recognized researchers, supporting the reality of Chronic Fatigue Syndrome. This data is indeed verifying the basis for the bizarre symptom-complex of CFS. Expectedly, evidence of cerebral dysfunction has been found both by cognitive testing and by SPECT and PET scan. Another expected finding is consistent immunologic abnormality. An unexpected and frightening aspect of the immune dysfunction is lowered Natural Killer cell function. A study done by the Pittsburgh Cancer Institute in evaluating a small cluster outbreak of CFS revealed several cancer deaths within two years, implying an increased risk of cancer in this population 27 times normal. Other studies are underway, addressing the etiology of clinical symptoms and early attempts at treatment. They remain, unfortunately, few in number, and are supported primarily by donations from CFS patient support groups, or funds siphoned from grants for related illnesses.

In summary, Chronic Fatigue Syndrome is an illness that is both a reality, and a living and often unending nightmare for those who have it. In my experience as a physician, it remains a hidden yet major cause of human suffering. It appears to be incurable, or may persist for many years. It may also be responsible for many related cancer deaths.

In my experience, CFS is extremely prevalent in the helping professions, among teachers, and those who have a high frequency of human contact in their employment. I am encountering an inordinately large number of highly educated professionals with this illness, many with graduate-level education. From my experience alone, it is clear that the social and economic impact of this illness on society is already significant.

Judging by the rapidly increasing numbers of CFS support groups, medical articles, and media attention, I can only conclude that this illness is spreading. Considering the high cost of diagnosing diseases "by exclusion" (as is CFS), and the higher cost of current partially-effective CFS treatment with expensive antivirals and Human Immune Globulin, its economic impact on the health care system is already great, and is likely to become much greater. The reality of this illness must not be denied, despite our medical ignorance of it. It is imperative that we address its existence, its prevalence, and its cause, treatment, and eventual cure. To fail to do so now will only exaggerate its eventual consequences.

Recently, at the Santa Barbara Writer's Conference, I was talking to three other people with CFS. Two also had doctorate degrees; one was a doctoral candidate. I was suddenly struck with the talent of the people I know with this illness. None of them were complaining about their illness, and all had attempted to remain productive despite their suffering and greatly diminished physical limits. None could continue full-time employment. This is when I really began to sense the magnitude of the impact that CFS is having on the productivity of this society. And why one day its understanding and cure will return a great amount of that productivity.

I, like others providing statements to this Committee, am concerned that the activities of the NIH, the CDC, and the SSA are grossly insufficient in light of the magnitude and impact of this illness on our society. I concur in offering the following suggestions to the Congress to expand Federal activities related to the Chronic Fatigue Syndrome:

To expand and better coordinate research into CFS, the National Institutes of Health should be funded to establish a multi-center research consortium including a centralized reference laboratory and data center ($822,000); should be funded to conduct a CFS medical research conference; should be directed to designate a senior official to coordinate NIH CFS-related activities; and should significantly expand its extramural activities, both nationally and internationally.

To continue planned epidemiologic and related activities, the CDC should be funded above current levels to conduct case-controlled, immunologic, virologic, rheumatologic, genetic, toxic, and long-term follow-up CFS studies (at least $600,000 additional).

To improve responsiveness to disabled CFS patients, the Social Security Administration should be directed to update, using current medical research data, its guidelines for disability evaluation of CFS.

**STATEMENT BY WILLIAM T. HARVEY, M.D., M.P.H. 4/01/90**

Statement for the Record by Amanda Martin, 872 Raymond Avenue, St. Paul, Minnesota 55114 #612-647-9270, to the Senate Appropriations Subcommittee, Labor, Health and Human Services, Education and Related Agencies.

Subject: Chronic Fatique Syndrome March 28th, 1990

Mr. Chairman:

I am testifying on behalf of those (over 300 individuals in Minnesota alone) whose lives have been dramatically altered by a pervasive, persistent and enigmatic disorder we currently call Chronic Fatique Syndrome, or CFS. I write this with the hopes of encouraging you to continue your committment to fund further medical research in this area and to investigate, in order to improve, access to exisiting health care programs for sufferers with chronic, enigmatic diseases.

My story is not uncommon among those afflicted with CFS; I have been called adventurous, ambitious and committed. I traveled the world, worked and did research in Europe and the United States, published papers, directed my own program, served in the Peace Corps, lobbied for reform of Minnesota laws, obtained a master's degree and experienced the professional fields of health care delivery, counseling, acting and teaching by the age of thirty. Up to that time, I believed that whatever physical ailment met me would be faced, treated, learned from, and then, left behind.

Consequently, four knee surgeries taught me to recover from an acute problem with optimism, determination and discipline. Mononucleosis, my first year in college, taught me to use my time wisely between periods of rest. Malaria, paratyphoid, giardia, amebia and chronic diarrhea reenforced the need for patience and maintenance of a naturopathic diet. These lessons carried me through until I returned from the Philippines with unshackable lethargy and proneness to constant bacterial and viral infections. I requested the Department of Tropical Medicine at the University of Minnesota to consider my medical history, yet, they found no correlation between my current status and recent history. I strengthened my diet, continued to work and actually improved to swim and bike six days a week, racewalk, work fulltime as director of an adult prototype leadership program, actively socialize and pursue a graduate degree. Life was quite full and purposeful. I was happy.

However, this life change abruptly in September, 1987 when the lethargy returned accompanied by sore throats, Herpes Simplex One, painful, leadened fatigue, and a marked inability to concentrate and track conversations. I was diagnosed with strep throat and mononucleosis with high titer levels to the Epstein-Barr virus. Thinking I could manage this problem by working intermittent hours I continued directing the leadership program. Yet, within a month it became clear that I could not carry-on. Supervisory and teaching responsiblities were extremely difficult to manage; more than two people conversing became very confusing to me, my memory was not reliable, and managing simple budgetary responsibilities became impossible since I could not consistently calculate even simple figures. Climbing stairs, cleaning, and cooking, were extremely difficult tasks and left me exhausted and unable to function. Driving was a risk to me and everyone on the road. I had no choice. I had to quit work, and I had to be taken care of. I moved home to my parents and entered the underworld defined by this illness: enormous joint and muscle pain, painful, pulsating lymph glands throughout my body, burning eyes, leadened limbs, fevers, headaches, sleepless nights, mindless days and intermittent depression, punctuated with isolation.

After one year of rest, I improved enough to begin the battle for Social Security Assistance. Besides being denied for assistance for the year I had not been able to work with the claim that I could have worked, "...at the same level of my previous position.", I was also told that this illness was precipitated by "..depression." Nothing, besides the physical pains of CFS, can be more devastating to a patient than hearing this. Not to be outdone by such an inaccurate claim, I filed again, only to be denied again. I had to find a way to pay for my expenses. Having no other form of financial support, and despite knowing that I was not fully recovered, I pursued and found a part-time position. Although I may be luckier than most to be able to work a bit outside the home, I regularly battle CFS symptoms and any bug or virus traveling (in) my way, and I miss, on the average, one day a week with this part-time position.

Despite what I learned and applied from my previous, varied, health maladies to manage CFS, this recalcitrant disease requires more; it requires respect, and honesty, among and between CFS sufferers and health care professionals, and it requires your unquestionable support. I join in the collective voice of representatives from CFS/CFIDS support groups throughout the country strongly urging you to increase funding for research, public education, and improved access to health care programs. I, particularly, urge you to fund medical research within and between the allopathic, public health and naturopathic communities. Together they and CFS sufferers can provide insight, treatment and hopefully prevention of this vulturous, debilitating disease.

Thank you for your consideration.

End Testimony by Amanda Martin Amanda Martin

UK UNIVERSITY
OF KENTUCKY
Chandler Medical Center

College of Medicine

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Lexington, Kentucky 40536-0084
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2 April 1990

The Honorable William H. Natcher
2333 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Natcher:

I wish to present the following testimony to you on behalf of the National Institutes of General Medical Sciences (NIGMS). I am a university level educator and an active member of the scientific research community whose office and laboratories are located within the University of Kentucky.

Current events have me worried concerning both the training of new scientists and the ability of our beginning scientists to weather the storm of today's restricted funding of approved, high quality biomedical research grants. This is especially true for scientists in NIGMS, which does not have a particular human disease as the basis for its support. It is quite intimidating for the beginning scientist when he hears stories of National Academy of Science members losing their NIH funding. This also makes it difficult to convince young individuals to enter science when they perceive it as a very chancey career move due to the competitiveness for funds at the current level of support from the government. That such is the case is attested to by the national inability to find enough American students to fill our graduate positions in science. More and more our biomedical research departments are filling our graduate classes with foreign students. This should cause everyone concern about the future of biomedical research in our country. Who will be our new teachers, who will be making decisions in the future concerning the nature of our national research efforts? I therefore strongly urge you to support the research and training programs of the NIGMS which plays a very important role in developing and supporting some of the best trained scientists this country has ever produced.

I have been involved in teaching and research since 1974 and I have been continually funded by the NIGMS since then. This funding has allowed my student colleagues and myself to make unique contributions to medical science as well as prepare the students for the next steps in their research careers. Currently, of the nine students who have started their careers in my laboratory all are still research active except one. Five have academic positions with NIH funded programs, two are involved in foundation supported research and two just recently took postdoctoral fellowships. Currently, my laboratory consists of five graduate students supported by the NIGMS. I know first-hand how discouraging it is to them to see and hear about the loss of funding to older, productive faculty and to see the dispair of younger, beginning faculty when their research proposals are given very good reviews by NIH study sections and yet not funded. Research produced in my laboratory by these young scientists and their peers has made significant contributions to our understanding of several maladies including cancer and Alzheimer's disease.

An Equal Opportunity University

Research in my laboratory supported by NIGMS does not fit into any specific disease cateogory. It basically involves the synthesis of compounds very similar to naturally occuring compounds which regulate cell growth, cell energy levels and which are involved in about every aspect of cell metabolism that exists. However, our compounds are radioactive and literally explode when exposed to absorbing light forming a very reactive intermediate compound which chemically binds to the protein, etc. that is nearest it. Using these compounds we have been able to detect proteins that are involved in cancer and have uncovered a major biochemical defect in Alzheimer's disease. These compounds are now sold by a commercial firm and are used world wide to study the biochemical effects of a large number of diseases.

Recently, we made photoactive compounds that are readily incorporated by cells into their DNA or RNA making the genetic material of the cell unstable and even explosive. These compounds have very potent antiviral, antibacterial and antifungal properties. They are lethal to any rapidly growing cell type whose DNA is replicating. They are currently under intense study with hope that they will present us with a totally new approach to treating viral related diseases. That approach being not to inhibit viral replication, as does the AIDS drug AZT, but to allow and encourage viral replication with the virus making a genetic material that will incorporate the photoactive drug into its DNA or RNA which will subsequentially literally disintegrate killing the virus. This same approach may possibly be used to treat other diseases where the disease causing agent is rapidly replicating itself.

Recently, students in my laboratory made a very important discovery that will definitely change the general approach towards reaearch using biological response modifiers such as interleukin-2 (IL-2). IL-2 occurs naturally in the body and is used by physicians to treat certain types of cancer. IL-2 holds considerable promise as an immune system stimulator for the natural production of "killer cells" which attack and irradicate cancerous cells. To date, polypeptide factors such as IL-2 were thought to act primarily by activating a cellular receptor by merely binding outside the cell. After activation they were thought to be internalized and degraded without eliciting any further activity. Our research using the photoactive probes described above, and recently published in the Proceedings of the National Academy of Science, shows that factors like IL-2 have enzymatic activity and are probably internalized before they can exhibit their full effects. They indeed seem to behave like toxins produced by lethal bacteria (e.g. cholera, pertussis, dyptheria toxins) which are internalized by cells and which, through known enzymatic properties, injure or kill the cells involved. It is likely that toxic bacteria have produced toxins that utilize normal cellular receptors, used by endogeneous polypeptides like IL-2, to gain entry into cells. Knowing this it may be possible to develop a better treatment for such toxin related diseases. Also, knowing the enzymatic properties of polypeptides like IL-2 may allow us to produce recombinant IL-2 molecules that will block the effects of the natural polypeptide response modifier. This has very important medical implications beyond the scope of this letter. However, it does point out the importance of NIGMS support for projects such as mine which are not specifically disease related.

My initial proposal to NIGMS to synthesize these compounds was made without the knowledge or claim that they would contribute to the understanding or possible treatment of any disease. The first grant was funded based only on the claim that it would increase our knowledge about how certain cellular functions are regulated. I should add that my initial concept to make radioactive compounds similar to these important natural compounds with the exception that they literally exploded when exposed to light was considered by many scientists to be unworkable and a somewhat bazaar idea. My project had to have an institute such as NIGMS, which is not closely associated to a particular disease, or it never would have been supported by NIH. Today, I can confidently tell you that the compounds and techniques developed by my NIGMS grant can be found being applied to many specific disease related projects that are supported by other NIH institutes. Also, I know that my research is not an exception and that many other researchers funded through NIGMS have made some of the most important contributions that have later developed into approaches, techniques and knowledge that are now actively applied to the study and treatment of certain human diseases.

I feel that it is very important to have a strong NIGMS that can evaluate and fund innovative research that increases our knowledge of the biochemistry of man without demanding that it be directly applicable to the treatment or understanding of a particular disease. At the time I prepared my first NIH proposal I had very little idea of the impact it could have on biomedical research. However, through the efforts of individuals within the NIGMS the potential value of my proposal for other biomedical related areas was recognized and I was supported. NIGMS has also played a major role in educating me in the process by having me serve on NIH study sections and site visits for research and training grants. The single most impressive aspect that I have learned with my experience fostered through NIGMS support is that major scientific advances that change much of our approach to medical treatment comes to us from the most unpredictable sources or projects. I am absolutely convinced that our governments research efforts need an institute such as NIGMS that will encourage and support innovative basic research with the goal of this research being justified by increasing new knowledge and not necessarily designed to be applied to the resolution of a specific disease related problem. Therefore, I urge you to give the utmost consideration to the budget request of the NIGMS administrators. They are beleaguered, sincere and hardworking individuals faced with increasingly difficult decisions to make. The NIGMS has done an excellent job in the past for our nation's biomedical research program and they will continue to do so. They deserve your concern and support.

Sincerely,

Boyd E Haley

Boyd E. Haley
Professor of Biochemistry & Medicinal Chemistry

vitae attached

## BOYD E. HALEY
## CURRICULUM VITAE

**ADDRESS**: Department of Biochemistry
University of Kentucky Medical Center
800 Rose Street
Lexington, KY 40536-00840
Telephone: (606) 257-4481

**EDUCATION**:

| Institution | Year | Degree |
|---|---|---|
| Franklin College | 1963 | B.A. |
| University of Idaho | 1967 | M.S. |
| Washington State University | 1971 | Ph.D. |

**RESEARCH AND PROFESSIONAL EXPERIENCE**:

| | |
|---|---|
| 1963 - 1964 | Research Scholar, Food and Drug Administration. |
| 1964 - 1966 | U.S. Army Medic. |
| 1966 - 1967 | Graduate Student, University of Idaho. |
| 1967 - 1971 | Graduate Student, Washington State University. |
| 1971 - 1974 | Postdoctoral Scholar, Yale University |
| 1971 - 1979 | Assistant Professor, Department of Biochemistry, University of Wyoming, Laramie |
| 1979 - 1981 | Associate Professor, Department of Biochemistry, University of Wyoming, Laramie |
| 1981 - 1985 | Professor, Department of Biochemistry, University of Wyoming, Laramie |
| 1985 - | Professor, College of Pharmacy, University of Kentucky, Lexington |
| 1985 - | Professor, Department of Biochemistry, University of Kentucky, Lexington, (Joint appointment) |

**PROFESSIONAL ORGANIZATIONS, SOCIETIES, HONORS AND RESPONSIBILITIES**:

| | |
|---|---|
| 1959 | President's Scholarship, Franklin College, Indiana |
| 1962 | Chi Beta Phi, Franklin College |
| 1962 | James M. Sprague Award - $400 award to outstanding undergraduate junior majoring in science |
| 1963 | Kennedy Scholar, Food and Drug Administration, Washington, D.C. |
| 1970 | Sigma Xi |
| 1975 | Dreyfus Foundation Visiting Researcher, Enzyme Institute, University of Wisconsin |
| 1977 | American Society of Biological Chemists |
| 1980 | Journal reviews for Journal of Biological Chemistry, Biochemistry, Endocrinology and Photochemistry, and Photobiology |
| 1981 | Biophysical Society |
| 1981 | Served on NIH Study Sections |
| 1981 | Research was presented as a "highlight" in NIH report on "Cellular and Molecular Basis of Disease Program" |
| 1982 | Served on NIH Study Section |
| 1983 | Served on NIH Study Section |
| 1985 | Permanent member NIH Biomedical Sciences, Study Section |

updated 01/90

Boyd Haley
CURRICULUM VITAE

## GRANT SUPPORT

| | |
|---|---|
| 1975 - 1978 | National Institutes of Health, "Application of Photoaffinity Nucleotide Analogs", $82,000, Principal Investigator |
| 1975 | Research Coordination Committee, $1,800 |
| 1978 - 1981 | National Institutes of Health, "Application of Photoaffinity Nucleotide Analogs", $183,696, Principal Investigator |
| 1978 - 1981 | Eleanor Roosevelt Cancer Institute Grant, $11,400 |
| 1979 - 1983 | PHS Research Career Development Award, $185,000 |
| 1981 - 1986 | National Institutes of Health, "Application of Photoaffinity Nucleotide Analogs", $434,000, Principal Investigator |
| 1982 | ASBC Travel Award to attend 12th IVB Congress, Perth, Australia |
| 1983 - 1984 | National Science Foundation, "Melatonin Photoaffinity Probe", $84,000, Co-Principal Investigator |
| 1983 - 1985 | National Institutes of Health, "Epididymal Sperm Nucleotide Binding Proteins", $190,000, Co-Principal Investigator |
| 1985 - 1988 | U.S. Army Mycotoxin Photoprobes, $390,000, Co-Principal Investigator |
| 1986 - 1989 | NIH, "Forskolin Photoaffinity Probes", $170,000, Co-Principal Investigator |
| 1986 - 1991 | NIH, "Application of Photoaffinity Nucleotide Analogs" $781,661, Principal Investigator |
| 1989 - 1995 | NIH, "Nucleotide-Tubulin Interactions in Alzheimer's Disease", $405,259, Co-Principal Investigator |

## TEACHING EXPERIENCE

| | |
|---|---|
| BCH 597FG | Introductory Comparative Biochemistry (joint) |
| BCH 620FG | General Biochemistry (joint) |
| BCH 680M | Seminar |
| BCH 710M | Problems and Topics in Biochemistry |
| BCH 808M | Advanced Seminar |
| BCH 815M | Advanced Problems and Topics in Biochemistry |
| BCH 844D | Nucleic Acids and Protein Biosynthesis (joint) |
| BCH 845D | Nucleotides in Regulation of Biological Phenomena (joint) |
| BCH 851D | Bioenergetics |
| BCH 988M | Dissertation Research |

Boyd Haley
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INVITED LECTURES:

| | |
|---|---|
| 1975 - thru 1979 | Sloan Kettering Memorial Cancer Institute, New York |
| | Colorado State University (3) |
| | Albert Einstein University, New York |
| | Hoffman-LaRoche Research Institute, Nutley, New Jersey |
| | University of Colorado Medical School, Denver (3) |
| | University of Colorado, Boulder (2) |
| | Yale University Medical School (2) |
| | The Salk Institute, San Diego |
| | University of California, Davis |
| | Stanford University Medical School |
| | University of California, San Diego |
| | University of Washington, Seattle |
| | Washington State University |
| | Kansas State University |
| 1979 | Symposium Speaker, ASBC Meeting, Dallas, Texas |
| 1979 | Symposium Speaker, New York Academy of Sciences Meeting, New York |
| | Department of Molecular Biology, National Jewish Hospital, Denver |
| | University of California, Riverside |
| | Workshop Speaker, ICN-UCLA Conference on Adenylyl Cyclase |
| 1982 | Symposium Speaker, 1982 FASEB Meeting, New Orleans |
| 1982 | Guest Lecturer and Scientist, German Cancer Research Center, Institute of Cell and Tumor Biology, Heidelberg, West Germany, May |
| 1982 | Centre National De La Recherche Scientifique, Laboratoire D'Enzymologie, Gif Sur Yvette, France, June |
| 1982 | Workshop Speaker, ASBC Meeting in New Orleans (Photoprobe utilization, sponsored by Schwarz-Mann) |
| 1982 | Symposium Speaker, Society for the Study of Reproduction, Madison, Wisconsin, August |
| 1982 | Department of Biochemistry, University of Wisconsin, November |
| 1982 | Department of Chemistry, New Mexico State University, November |
| 1982 | Department of Chemistry, University of Colorado, December |
| 1983 | Institute of Infectious Diseases, U.S. Army Medical Research Institute, Ft. Detrick, Michigan, January |
| 1983 | Department of Biochemistry and Biophysics, Oregon State University, February |
| 1983 | Department of Biochemistry, Texas Health Science Center, San Antonio, March |
| 1983 | Department of Biochemistry, University of Mississippi Medical Center, May |
| 1984 | Department of Biochemistry, University of Kentucky, Lexington |
| 1985 | Department of Physiology and Biophysics, Northwestern University Medical School, Chicago, Illinois |
| 1985 | Department of Chemistry, University of Southern California, Los Angeles, California |
| 1985 | Department of Physiology, University of Illinois at Chicago, Chicago, Illinois |
| 1985 | Department of Biochemistry, Ohio State University, Columbus, Ohio |
| 1985 | Department of Physiology, Yale University Medical School, New Haven, Connecticut |

Boyd Haley
CURRICULUM VITAE

| | |
|---|---|
| 1986 | Department of Biochemistry, Case Western University, School of Medicine, Cleveland, Ohio |
| 1986 | Department of Biochemistry, Indiana University, School of Medicine, Indianapolis, Indiana |
| 1986 | Department of Biochemistry, Washington University, School of Medicine, St. Louis, Missouri |
| 1987 | Division Fermentation Products Research Division, Eli Lilly Research Laboratories, Indianapolis, Indiana |
| 1987 | Department of Chemistry, University of South Florida, Tampa, Florida |
| 1987 | Department of Molecular Biology and Biochemistry, University of Wyoming, Laramie, Wyoming |
| 1988 | Worcester Foundation, Shrewsbury, Massachusetts |
| 1988 | Department of Biochemistry, University of Colorado, Denver, Colorado |
| 1988 | Department of Biochemistry, University of Delaware, Newark, Delaware |
| 1989 | University of California at San Diego |
| 1989 | University of California at Los Angeles |
| 1989 | Texas College of Osteopathic Medicine, Fort Worth, TX. |

## SERVICE TO DEPARTMENT, COLLEGE AND UNIVERSITY:

| | |
|---|---|
| 1975 - 1979 | Faculty Senate |
| | Biological Interdepartmental Seminar Committee |
| | University Grievance Procedure Committee |
| | College of Agriculture Teaching Improvement Committee |
| | College of Agriculture Academic Planning Committee |
| | Faculty Senate Nominating Committee |
| | Division of Biochemistry Undergraduate Teaching Committee |
| | Division of Biochemistry Graduate Program Committee |
| | University Research Coordination Committee |
| | Chairman of the Graduate Committee, Biochemistry Department |
| 1979 - 1982 | College of Agriculture Tenure and Promotion Committee |
| 1979 | College of Agriculture Dean Search Committee |
| 1981 | Vice-President for Research Search Committee |
| 1981 | College of Human Medicine Evaluation Committee |
| 1981 - 1982 | Biomedical Research Funding Committee |
| 1982 | Chairman, Department of Zoology and Physiology Review Committee |
| 1986 | Research Committee College of Medicine |
| | Ad Hoc Committee to Review Center on Aging |
| | Ad Hoc Medical Center Research Advisory Committee |
| | Working Group for Biotechnology Center |
| | Center for Pharmaceutical Science and Technology Advisory Committee |
| | College of Pharmacy Graduate Program |
| | College of Pharmacy Research and Seminar |
| 1987 | Markey Cancer Center Internal Advisory Committee |
| | College of Medicine Research Committee |
| | Tobacco and Health Advisory Committee |
| 1988 | College of Pharmacy BRSG Committee, Tenure and Promotion |

Boyd Haley
CURRICULUM VITAE
PUBLICATIONS (REFEREED JOURNALS)

1. Haley, B. and Yount, R. Gamma-fluoroadenosine Triphosphate. Synthesis, Properties and Interaction with Myosin and Heavy Meromyosin. Biochemistry II, 2863-2871 (1972).

2. Haley, B., Yount, R. and Hoffman, J. Selective Inhibition of Divalent Metal Ion Requiring ATPase Activity of Human Red Cell Ghost by an Analog of ATP. The Physiologist 16, 333-334 (1973).

3. Haley, B. and Hoffman, J. Interactions of Photo-Affinity ATP Analog with Cation-Stimulated ATPase Activities of Human Red Cell Ghost. Proc. Natl. Acad. Sci. 71, 3367-3371 (1974).

4. Staros, J.V., Haley, B. and Richards, F.M. Human Erythrocytes and Resealed Ghost: A Comparison of Membrane Topology. J. Biol. Chem. 249, 5004-5007 (1974).

5. Pomerantz, A., Rudolph, S.A., Haley, B. and Greengard, P. Photoaffinity Labeling of a Protein Kinase from Bovine Brain with 8-Azido-adenosine-3', 5'-monophosphate. Biochemistry 14, 3852-3857 (1975).

6. Haley, B. Photoaffinity Labeling of cAMP Binding Sites of Human Red Blood Cell Membranes. Biochemistry 14, 3852-3857 (1975).

7. Staros, J.V., Richards, F.M. and Haley, B. Photochemical Labeling of the Cytoplasmic Surface of the Membranes of Intact Human Erythrocytes. J. Biol. Chem. 250, 8174-8178 (1975).

8. Malkinson, A.M., Krueger, B.V., Rudolph, S.A., Casnelli, J.E., Haley, B. and Greengard, P. Widespread Occurence of a Specific Protein in Vertebrate Tissues and Regulation by cAMP of its Endogenous Phosphorylation and Dephosphorylation. Metabolism 24, 331-341 (1975).

9. Haley, B. Photoaffinity Labeling of Adenosine 3', 5'-Cyclic Monophosphate Binding Sites. Methods in Enzymology, Jacoby and Wilchek, Editors. V 46, pp. 339-346 (1976).

10. Owens, J.R. and Haley, B.E. A Study of Adenosine 3', 5'-Cyclic Monophosphate Binding Sites of Human Erythrocyte Membranes Using 8-Azido-adenosine-3'-5' Cyclic Monophosphate. J. Supra. Mole. Structure 5, 91-102 (1976).

11. Skare, K., Black, J.L., Pancoe, W.L. and Haley, B. Determination of the Cellular Location of Cyclic Nucleotide Binding Sites Using 8-Azido-adenosine-3', 5'-monophosphate, A Photoaffinity Probe. Arch. Biochem. Biophy. 180, 409-415 (1977).

12. Lau, E., Haley, B. and Barden, R. Interactions of a Photoaffinity Analog of CoA with CoA Enzymes. Biochemistry 16, 2581-2585 (1977).

13. Owens, J.R. and Haley, B. A Study of Adenosine 3', 5'-Cyclic Nucleotide Binding Sites of Human Erythrocyte Membranes Using 8-Azido-adenosine 3'-5'-Cyclic Monophosphate. Cell Shape and Surface Architecture: Progress in Clinical and Biological Research 17, 65-76 (1977).

14. Lau, E.P., Haley, B. and Barden, R. The 8-Azidoadenine Analog of S-Benzoyl (3'-dephospho) Coenzyme A-A Photoaffinity Label for Acyl CoA; Glycine N-Acyltransferase. Biochem. Biophys. Res. Commun. 76, 843-849 (1977).

15. Geahlen, R.T. and Haley, B. Interactions of a Photoaffinity Analog of GTP with the Proteins of Microtubules. Proc. Natl. Acad. Sci. 74, 4375-4377 (1977).

16. Owens, J.R. and Haley, B. Use of Photoaffinity Nucleotide Analogs to Determine the Mechanism of ATP Regulation of a Membrane Bound, cAMP Activated Protein Kinase. J. Supra. Mole. Structure 9, 57-68 (1978).

17. Czarnecki, J., Geahlen, R.T. and Haley, B. Synthesis and Use of Azido Photoaffinity Analogs of Adenine and Guanine Nucleotides. Methods in Enzymology 56, 642-653 (1979).

18. Marcus, F. and Haley, B. Inhibition of Fructose 1,6-biphosphatase by the Photoreactive AMP Analog, 8-Azido-AMP. J. Biol. Chem. 254, 259-261 (1979).

19. Geahlen, R., Haley, B. and Krebs, E.G. Synthesis and Use of 8-azidoguanosine 3',5'-cyclic Monophosphate as a Photoaffinity Label for Cyclic GMP-dependent Protein Kinase. Proc. Natl. Acad. Sci. 76, 2213-2217 (1979).

20. Geahlen, R. and Haley, B. Use of GTP Photoaffinity Probe to Resolve Aspects of the Mechanism of Tubulin Polymerization. J. Biol. Chem. 254, 11982-11987 (1979).

21. Haley, B. Application of Photoaffinity Nucleotide Analogs to Biological Membrane Research. Selected Aspects of Cancer-Related Protein, Carbohydrate, Lipid and other Biochemistry, International Cancer Research Data Bank, p. 87 (1979).

22. Owens, J. and Haley, B. Mechanism of MgATP Regulation of Membrane Bound Type I cAMP Activated Protein Kinase. Transmembrane Signaling. Alan R. Liss, Inc. New York, New York, pp. 149-160 (1979).

23. Forrester, I.T., P.K. Schoff, B.E. Haley and R.G. Atherton. Determination of Protein Kinase Activity in Intact Mammalian Sperm. J. of Andrology 1, 70 (1980).

24. Briggs, F. Norman, Al-Jumaily, Walid and Haley, Boyd. Photoaffinity Labeling of the $(Ca^{+}Mg)$ ATPase of Skeletal and Cardiac Sarcoplasmic Reticulum with [ $^{32}$P-]-8-Azido ATP. Cell Calcium 1, 205-215 (1980).

25. Hoyer, P., Owens, J.R. and Haley, B.E. Use of Nucleotide Photoaffinity Probes to Elucidate Molecular Mechanisms of Nucleotide Regulated Phenomena. Annals of New York Academy of Science 346, 280-301 (1980).

26. Takemoto, D.J., B.E. Haley, J. Hanse, P. Pinbett and L.J. Takemoto. GTPase from Rod Outer Segments: Characterization by Photoaffinity Labeling and Tryptic Peptide Mapping. Biochem. Biophys. Res. Commun. 102, 341-347 (1981).

27. Leichtling, B.H., Coffman, D.S., Yaeger, E.S., Rickenberg, H.V., Al-Jumaily, W. and Haley, B.E. Occurence of the Adenylate Cyclase "G-Protein" in Membranes of Dictyostelium discoidium, Biochem. Biophys. Res. Commun. 102, 1187-1195 (1981).

28. Schoff, P.K., Forester, I.T., Haley, B.E. and Atherton, R. A Study of cAMP Binding Proteins on Intact and Disrupted Sperm Cells Using 8-Azidoadenosine-3', 5'-Cyclic Monophosphate. J. Supra. Molecular Structure 19, 1-15 (1982).

29. King, M.M., Carlson, G. and Haley, B.E. Photoaffinity-Labeling of the Subunit of Phosphorylase Kinase by 8-Azidoadenosine-5'-Triphosphate and its 2', 3'-Dialdehyde Derivative. J. Biol. Chem. 257, 14058-14065 (1982).

30. Potter, R. and Haley, B.E. Photoaffinity Labeling of Nucleotide Binding Sites with 8-Azidopurine Analogs. Meth. Enzymol. 91, 613-633 (1982).

31. Hoyer, P.B. and Haley, B.E. Utilization of Nucleotide Photoaffinity Probes to Study Protein-Nucleotide Interactions in Cell Fractions. J. Cellular Biochemistry, submitted. (1983).

32. Haley, Boyd. Development and Utilization of 8-Azidopurine Nucleotide Photoaffinity Probes. Federation Proceedings 42, 2831-2836 (1983).

33. Khatoon, S., Atherton, R. Al-Jumaily, W. and Haley, B.E. Use of Nucleotide Photoaffinity Probes to Study Hormone Action. Biology of Reproduction 28, 61-73 (1983).

34. Kaiser, I.I., Kladianos, D.M., Van Kirk, E.A., and Haley, B.E. Photoaffinity Labeling of catechol-o-methyltransferase with 8'-Azido-S-adenosylmethionine. J. Biol. Chem. 258, 1747-1751 (1983).

35. Abraham, K., Haley, B. and Modak, M. Biochemistry of Terminal Deoxynucleotidyl Transferase: 8-Azido ATP as A Substrate Binding Site-Directed Photoaffinity Labeling Prob. Biochemistry 22, 4197-4203 (1983).

36. Haley, B.E., Ponstingl, H. and Doenges, K.H. Photoaffinity Labeling of Pure Tubulin Using 8-Azidoguanosine triphosphate at the -Subunit. Hoppe-Seylers J. Physiol. Chem. 364, 1137 (1983).

37. Woody, A.M., Vader, C.R., Woody, R.W. and Haley, B.E. Photoaffinity Labeling of DNA-dependent RNA polymerase from *E. coli* with 8-azidoadenosine-5'-triphosphate. *Biochemistry 23*, 2843-2848 (1984).

38. Owens, J.R. and Haley, B.E. Synthesis and Utilization of $[5'-^{32}P]$-8-Azidoguanosine-3'-phosphate-5'-phosphate: Photoaffinity Studies on Cytosolic Proteins of *E. coli*. *J. Biol. Chem. 259*, 14843-14848 (1984).

39. Pfister, K.K., Haley, B.E. and Witman, G.B. The Photoaffinity Probe 8-azidoadenosine-5'-triphosphate. Selectivity Labels the Heavy Chain of Chlamydomonas 12S Dynein. *J. Biol. Chem. 259*, 8499-8504 (1984).

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The basic research interest of our laboratory centers on biochemical and biomedical problems involving control at the molecular level. Specifically, we are most interested in biological systems regulated by protein-nucleotide interactions where the bioenergetics involved are expressed through site-specific nucleotide binding of high affinity or through protein substrate phosphorylation. Our approach to this general phenomenon is to synthesize novel nucleotide analogs that are photoactive or fluorescent, or both. The analogs are then used to study various aspects of protein-nucleotide interactions which regulate enzyme activity. Analogs used may be modifications of the commonly known nucleotides such as ATP, cAMP, GTP, dUTP, NAD$^+$, UDP-Glc, etc. or probes of the more unusual nucleotides such as the proposed alarmones guanosine-3'-phosphate-5'-phosphate (magic spot compounds) and diadenosine-P$^1$,P$^4$-tetraphosphate.

These nucleotide analogs are used to study a wide variety of enzymes that either use or are regulated by nucleotides including cyclases, kinases, and polymerases. Certain of these probes have proven useful in the study of the differences between normal and diseased tissues as observed through changes in nucleotide binding proteins. Alzheimer's disease and colon carcinoma are two of the diseases we are currently investigating. Additionally, we have found that several of the large polypeptide hormones (or biological response modifiers) have nucleotide binding sites. These include IL-1, IL-2, Interferon-alpha, TNF(tumor necrosis factor), glucagon and GH (growth hormone) from several sources. We therefore feel that the transmembrane signaling effected by these proteins may, at least partially, be expressed partially by an enzyme activity associated with the "hormone" itself. This is supported by the observation that IL-1 and IL-2 also autophosphorylate using ATP.

# STATEMENT FOR THE RECORD
BY
JOHN H. RENNER, M.D.
KANSAS CITY, MISSOURI

TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE,
LABOR, HEALTH & HUMAN SERVICES,
EDUCATION AND RELATED AGENCIES

Date: April 9th, 1990
Subject: Proposed Expansion of Research and Awareness for Chronic Fatigue Syndrome

Mr. Chairman, Committee Members:

My name is John H. Renner. I am a family physician, and have been a health educator and consumer advocate for the past 25 years. I am President of the Consumer Health Information Research Institute, Kansas City, Missouri; a clinical professor of Family Medicine at the University of Missouri-Kansas City; have written a health column for the *Kansas City Star* for the past five years, and am Editor of the Kansas City Metropolitan Medical Society's journal. I serve as a Board of Trustees Member of the National Osteoporosis Foundation. I am a member of the Board of Directors of the National Council Against Health Fraud, and in March of 1988, I co-chaired the federal Food and Drug Administration's National Conference Against Health Fraud, held in Kansas City.

The Appropriations Bill that this Committee is reviewing regarding Chronic Fatigue Syndrome (CFS) is a vital piece of legislation. It will not only seek to educate health professionals and the general public about Chronic Fatigue Syndrome, thus "de-mystifying" it; it will also allocate increased federal funding for the research and development of legitimate medical treatments for CFS, which will hopefully lead to an eventual cure.

Currently, it is estimated that several thousand Americans have Chronic Fatigue Syndrome, a potentially debilitating disease which causes extreme fatigue among its other symptoms, and may last for months or years. The symptoms associated with Chronic Fatigue Syndrome can resemble many other illnesses, among them: lupus; multiple sclerosis; lyme disease; hypothyroidism; allergies; multiple-drug use; cancer; especially lymphoma, and anemia. Therefore, careful, precise testing is required and for a proper diagnosis, patients should meet specific Centers for Disease Control-developed criteria.

At the present time, there is no clear cause or known cure for CFS. This is exactly the type of disease the purveyors of quackery like the most; they are adept at offering easy solutions to such complex problems and providing their false promises of hope and relief. The fatigue associated with this illness can be so debilitating that CFS patients are extremely vulnerable to the pitches of the quack.

Many individuals are being seriously misled in the diagnosis and treatment of this disease by the purveyors of health quackery and misinformation.

Individuals are erroneously led to believe they have CFS when they do not, based on such misused or fraudulent diagnostic procedures as hair analysis, blood and "live cell analysis" tests; and applied kinesiology.

Many CFS patients turn to so-called "alternative therapies" seeking relief from their symptoms. As a physician and consumer advocate, I have received numerous phone calls and letters from CFS patients detailing the treatments they have tried and the products they have been sold.

Some of the fraudulent products I have seen marketed to Chronic Fatigue Syndrome patients include: the Sunrider Corporation's nutritional supplements which purportedly treat a variety of chronic illnesses; various dental procedures; numerous food supplements from T-cells designed to stimulate the immune system to herbals and other homeopathic remedies; injections of hydrogen peroxide; colonic irrigations; special diets; megadoses of Vitamin C or other vitamins; acupuncture: bee pollen products, and trips to foreign or Mexican clinics which claim to cure CFS.

Not only must CFS patients contend with the physical symptoms of their illness, they must often deal with the discrimination which can result from the ignorance of the general public, and sadly, some members of the health care profession. CFS patients often find it necessary to alter their lifestyles significantly. Many lose their jobs and are denied health insurance, social services, and welfare assistance.

Many are treated as though they are somehow totally mentally ill, even though CFS is a physical illness with psychological components as are all illnesses. The public's misconceptions about CFS are further fueled by pseudo-scientific practitioners who claim that the disease is contagious and can be contracted through such simple means as "minor contact with a person coughing in the elevator or in the aircraft seat next to you, from children who are transient carriers of the virus or from an inconsequential embrace at a reception." These statements only serve to put blame on the victim; to make the CFS patient feel as though he or she engaged in some "preventable behavior" which subsequently resulted in his or her illness.

Only through a program of public awareness and education will CFS be "de-mystified" and the purveyors of health quackery thwarted in their attempts to sell the vulnerable their fraudulent, worthless products.

Based on my experiences as a physician, health educator, and consumer advocate, I encourage this Committee:

o to provide Chronic Fatigue Syndrome patients with adequate state and national medical and social service assistance;

o to provide increased funding for legitimate medical research and treatment development;

o to conduct a vigorous public awareness campaign;

o to provide health care professionals with access to comprehensive CFS knowledge; and

o to ensure that CFS patients can receive continual support and access to accurate, legitimate health information regarding their illness.

# STATEMENT FOR THE RECORD

by

**ROY E. ALBERT, M.D.**
Department of Environmental Health
University of Cincinnati
Medical Center

**ROY M. BUCHAN, Ph.D.**
National Occupational Safety & Health Education Association
Colorado State University

Representing

ASSOCIATION OF UNIVERSITY PROGRAMS IN OCCUPATIONAL SAFETY AND HEALTH

NATIONAL OCCUPATIONAL SAFETY AND HEALTH ASSOCIATION

Submitted To

HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HHS-EDUCATION
SENATE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HHS-EDUCATION

on

APPROPRIATIONS FOR THE NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH (NIOSH)

April 20, 1990

Mr. Chairman:

I am Roy Albert, M.D., the President of the Association of University Programs in Occupational Safety and Health (AUPOSH) and I am Roy M. Buchan, Ph.D., the President of the National Occupational Safety and Health Education Association (NOSHEA).

The purpose of this statement is to urge you and your committee to consider our views concerning the need for additional funding for the National Institute for Occupational Safety & Health (NIOSH). We request that it be made a part of the permanent hearing record of your committee's consideration of the Labor-HHS-Education appropriations bill.

The Association of University Programs in Occupational Safety and Health (AUPOSH) represents the 14 regional university-based Educational Resource Centers (ERC's) which are multi-disciplinary programs that operate under training grants from NIOSH.

The National Occupational Safety and Health Education Association (NOSHEA) represents some 25 additional regionally based university single-disciplinary programs in occupational safety and health professional development and education. NIOSH also provides training grants to these single-discipline project programs.

Thus, the combined ERC and single-discipline programs involve 49 university-based programs that account for nearly all of the professional development and education in the field of occupational safety and health. (See the attached listing of all 49 university programs).

The ERC program, launched in 1977, is intended to carry out the mandate of the Occupational Safety and Health Act to ensure an adequate supply of trained professionals in the multidisciplinary fields of occupational medicine, industrial hygiene, occupational health nursing, and occupational safety. A research training program at the regional ERCs was subsequently mandated by the Congress; in part to attract graduates into academic teaching and research, an area of significant shortage.

In addition to the ERC's graduate academic training programs, an extensive continuing education and outreach program is offered which, over the last five years, has reached an estimated 100,000 people. As indicated above, NIOSH also provides training funds for about twenty-five single-discipline project grantees at other academic institutions out of its training budget, currently at $10,461,000 for Fiscal 1990. For Fiscal 1991, the Administration's budget request reflects no increase in the NIOSH training budget, a fact which causes us serious concern.

We are well aware that your committee has, over the past nine years, shared our concern with the growing shortages of trained occupational health and safety professionals to deal with the increasingly complex health hazards of American workers. For six consecutive years, the previous Administration requested ZERO funding for occupational safety and health training programs. The Congress, on the other hand, has kept the programs alive in the face of severe budgetary constraints.

However, the long span of underfunded training programs has taken its toll. A majority of ERC and single project grant faculty members are non-tenured at their institutions and many promising students withdraw from occupational safety and health careers because of a lack of support and the uncertainty of completion of their training requirements.

Meanwhile, the manpower shortages in key occupational health specialties have been exacerbated. For example, some 90 percent of all of the limited number of occupational medicine practitioners in the United States are the products of the ERC and project grant programs. Yet, in 1989, only 122 physicians received full-time training in occupational medicine at ERCs. The overall impact of Federal budgetary restraints in recent years can be measured by the fact that almost 800 students at the ERCs and project grants graduated in each of the peak budget support years of 1980-1981, when the Federal appropriations were $12.9 million; the current level of graduates is down by nearly two-thirds.

Last year the Reagan/Bush budget for Fiscal 1990 sought drastic cuts of nearly 35% for both NIOSH and the training grant program. Once again the Congress saved the program by restoring the overall NIOSH budget for Fiscal 1990 to $84.6 million, of which $10.4 million was allocated for the NIOSH training budget.

While the Congress last year saved NIOSH from near destruction, the FY 1991 budget request from the Bush Administration is essentially flat with a mere $461,000 increase for research. No additional funds have been requested for the training grant program which, as stated previously, is currently at $10.4 million.

We believe that this is totally uncalled for and, once again, are requesting your help in furthering worker safety and health research and professional development.

Indeed we believe that a minimum acceptable level for the overall NIOSH budget is $100 million for Fiscal 1991, an increase of approximately $15 million over the Administration's request. Of this requested $15 million increase, $10 million should be allocated for NIOSH research, bringing the total research budget up to $84.6 million. The remaining $5 million should be added to the training grant program, raising it to $15.4 million.

This proposal is modest, indeed, compared to where the NIOSH budget should be in light of the past cuts.

We have attached to this statement a table that measures the dramatic impact of NIOSH budget cuts during the 1980's. You will note that the Fiscal 1980 appropriation for NIOSH was $80.4 million (base year), of which $12.9 million was for training and the ERC program. In Fiscal 1991, it would require a NIOSH appropriation of $162 million just to equal the comparable funding of 1980! If these same real dollar figures were to be applied to the training program, an appropriation of $25.2 million in Fiscal 1991 would be required just to keep the same level of training activity as existed in 1980!

Occupational hazards have become increasingly more complex. After extremely hazardous conditions have been identified, it requires highly skilled and broadly trained professionals to evaluate the real causes of injuries and illnesses so that effective and low-cost remedies can be developed and instituted. Our present level of occupational health and training activity in the United States is simply not meeting the demand for such professionals.

It should be emphasized that the annual cost of occupational injuries and illnesses in our country is now estimated to be $200 billion! This amounts to about $1,667 per worker each year! NIOSH's current budget, on the other hand, amounts to a public investment per worker of only about 72 cents!

By comparison, Sweden, for example, in 1988, spent the equivalent of $12.33 in preventive occupational safety and health programs for each worker and Finland invested $12.29 per worker in 1986.

These statistical comparisons are even more startling when measured against the fact that occupational musculoskeletal disorders alone cause the disability of some 12 million U.S. workers annually, while occupational traumatic injuries disable another 10 million workers and result in the annual death of some 10,000 workers. Occupational-induced hearing loss affects some 500,000 American workers a year. Many, if not most, of these fatalities and injuries could be prevented by more effective, professionally-directed safety and health programs.

Much is said today about the need for America to become more competitive so as to reduce our trade and budget deficits. We believe that the prevention of even a modest portion of the annual occupational injuries, diseases and deaths would produce dramatic dividends throughout our economy.

We are acutely aware of the difficult budgetary situation which confronts the Congress and the major effort that is required to get the deficit under control. But we are also convinced that the benefits of an effective occupational health and safety program are critical the Nation's future, and thus warrant additional funding.

We, therefore, urge you and your committee to seriously consider an appropriation for Fiscal 1991 of a total of $100 million for NIOSH activities, including $84.6 million in the research line and $15.4 million in training line of the CDC/NIOSH budget. The latter figure includes a modest restoration of lost ground in the ERC and project grant training programs and a small expansion of the research training effort just recently begun.

We thank you for your past support of our work and sincerely hope that your evaluation of the progress we have made in occupational health and safety education despite limited funding will merit your favorable action on our budgetary request.

## NIOSH BUDGET BASED ON THE RESEARCH AND DEVELOPMENT PRICE INDEX

### BASE YEAR -- 1980

| | YEAR | ACTUAL DOLLARS | REAL DOLLARS | EQUIVALENT DOLLARS |
|---|---|---|---|---|
| | 1970 | $10,353,000 | $21,000,000 | $ 39,628,326 |
| | 1972 | 26,267,000 | 47,967,495 | 44,017,183 |
| | 1975 | 33,999,000 | 50,331,606 | 54,298,041 |
| Base Year | 1980 | 80,382,000 | 80,382,000 | 80,382,000 |
| | 1985 | 65,337,000 | 45,840,876 | 114,568,465 |
| | 1986 | 64,551,000 | 43,386,880 | 119,592,340 |
| | 1987 | 70,093,000 | 44,908,380 | 125,590,109 |
| | 1988 | 69,668,000 | 42,235,829 | 132,590,109 |
| | 1989 | 70,355,000 | 40,329,607 | 140,226,399 |
| | 1990 | 84,700,000 | 24,202,584 | 148,079,720 |
| | 1991 | 85,100,000 | 44,700,000 | 162,000,000 |

## AUPOSH
## EDUCATIONAL RESOURCE CENTERS.

University of Alabama at
Birmingham
School of Public Health

University of Southern
California Institute of Safety
and Systems Management

University of Illinois at
Chicago Occupational Health and
Safety Center

The University of Michigan
Center for Occupational Health
and Safety Engr.

Mt. Sinai School of Medicine
New York/New Jersey E.R.C.

University of Texas (Houston)
Health Science Center
School of Public Health

University of Washington
Department of Environmental
Health

University of California at
Berkeley
School of Public Health

Harvard School of Public
Health

John Hopkins University
School of Hygiene and Public
Health

University of Minnesota
School of Public Health

University of North Carolina
North Carolina E.R.C.

University of Utah Medical
Center
Rocky Mountain Center for
Occupational Health

University of Cincinnati
Medical Center
Institute of Environmental
Health

## NOSHA
## TRAINING PROJECT GRANT AFFILIATES

University of Arizona
School of Health Related
Professions and College of
Medicine

Meharry Medical College
Nashville, TN

Montana College of Mineral
Science and Technology
Butte, MT

Murray State University
Dept. of Safety Eng. and Health

University of Oklahoma
Health Sciences Center

University of Pennsylvania
School of Nursing

University of Pittsburgh
Industrial Environmental Health
Sciences and Graduate School of
Public Health

Texas Tech University
Dept. of Industrial Engineering

West Virginia University
Dept. of Industrial Engineering
and Institute of Occ. Safety
and Health

The Workplace Health Fund
Washington, DC

Yale University
School of Medicine
Occupational Medicine Program

Virginia Polytechnic Institute
and State University
Dept. of Industrial Engineering
and Operations Research

University of Kentucky
Preventive Medicine Medical
Center

Catonsville Community College
Catonsville, MD

Colorado State University
Occupat. Health and Safety
Dept.

University of Hawaii
School of Public Health

University of Iowa
Dept. of Preventive Medicine
and Environmental Health

University of South Florida
College of Public Health

Temple University
Ctr. for Environmental Studies

St. Augustine's College
Raleigh, NC

University of Puerto Rico
School of Public Health

San Diego State University
Grad. School of Public Health

University of South Carolina
Dept. of Environmental Health
Sciences

NATIONAL
FEDERATION
OF FEDERAL
EMPLOYEES

NFFE

1016 16th St., N.W.
WASHINGTON, DC
20036
(202) 862-4400

**Testimony of:**

**The National Federation of Federal Employees**

**Before:**

**House Appropriations Subcommittee on
Labor, Health and Human Services and Education**

**April 9, 1990**

Mr. Chairman and Subcommittee Members:

I appreciate the opportunity to present the views of the National Federation of Federal Employees (NFFE) regarding Fiscal Year 1991 appropriations for the Social Security Administration (SSA). NFFE represents more than 150,000 dedicated Federal employees, many of whom work for the SSA. We are concerned about the field offices having sufficient resources -- personnel, training, overtime monies, furniture, equipment and moving expenses -- to adequately and efficiently provide the service to the public with which the agency is charged.

Over the past few years, resource shortages have resulted in work backlogs, decreased employee morale and restricted numbers of applicants applying for promotions within the agency. What this means to the public is that they are not getting the service they deserve because decisions are delayed, payments at times are not proper, information is not always correct and employees are sometimes curt.

We have seen SSA's staff reduced by some 17,000 to 20,000 employees over the last few years. These employees have been lost through attrition -- including both those leaving the agency to seek other employment and those who were encouraged to leave on early retirement in order for the agency to achieve its downsizing goals. In justifying downsizing, the agency assured Congress, SSA employees and the public that even with downsizing, the agency would be able to provide quality services because of the implementation of the 800 number and increased computer capabilities.

Reality, however, has been quite different from this promise. We have seen a myriad of problems caused by staff reductions and the implementation of the 800 number. We have also not experienced the promised updating of all equipment and computer capabilities as promised. The result of these problems, frankly, has been devastating.

Downsizing has caused the loss of some of the clerical employees. The result has been that much of the clerical work -- filing, typing, receptionist duties, mail, and the like -- is done by technical and management staff. Unfortunately, this takes needed time away from processing claims and post-entitlement workloads which in turn causes delayed decisions to claimants, incorrect or delayed payments and an overall reduction in the service to the public.

Increased workloads for the remaining employees have caused some employees to be curt with the public because employees know they have to move quickly on to the next phone call, the next claimant, or try to attack the stack of files on their desks. All of this adds to employee frustration reducing their morale even further.

Some of SSA's smaller offices have been forced to close as a result of fewer staff members and the implementation of the 800 number. Thus, there has been a reduction in the number of contact offices across the country. NFFE has found that since the typical SSI beneficiary is elderly, mentally or physically challenged, or a survivor, face-to-face meetings are generally more helpful and beneficial than phone calls. Unfortunately, staff reductions force claimants to travel many miles to reach an office to have face-to-face contact. Furthermore, some offices actually turn away claimants because they cannot handle the extra case load. The public is told to use the 800 number and it can be many weeks before a satisfactory face-to-face meeting actually takes place.

The implementation of the 800 number in 1989 was done prematurely and with little forethought. Employees at the megasites and spike unit telecenters were placed on the job with little training. Many were put on the front line to answer questions over the phone that normally take months of experience to handle properly. Because of the volume of calls, veteran employees and supervisors are not able to be adequate mentors for the new employees as they are answering phone calls. Thus employees are giving out information that they believe is accurate but in fact is not. It is impossible to accurately estimate the extent of the problem. We have seen some of the problems already -- callers are told that no benefits are available until a person is 65; they're told children cannot receive benefits; they're told only that SSI has a disability program. The list goes on and on.

We must point out that these problems do not stem from the employees themselves but rather result from the lack of training and the circumstances under which they work. Congress must adequately fund agencies and expressly mandate that employees be given proper training to properly perform their jobs.

In addition to the problems of downsizing and the premature implementation of a poorly planned 800 number, SSA is suffering from several other conditions. Many employees want to help relieve the pressure and eliminate the backlogs and are willing to work overtime until SSA can hire and train new employees. However, there are no funds for overtime pay. Also employees who are qualified for promotions do not apply because the funds are not there to pay for higher salaries or for moving expenses. The result is that promotion pools offer limited choices and the best candidates do not always get put into higher level jobs.

There is one bright spot, however. The new Commissioner, Gwendolyn King, seems interested both in good service and in improving employee morale. Under her guidance, the agency seems to be beginning to emphasize quality as well as quantity. SSA seems to be looking toward providing the public with true options as to how they can obtain service and encouraging a more in-depth outreach program for SSI. Unfortunately, each of these will require more and better trained personnel, a better physical plant, more basic furniture and equipment and increased travel monies. We respectfully request that Congress appropriate enough money to hire new staff, provide training for the current staff, provide sufficient allocations of overtime money until we have the necessary staff and to provide funds to improve the physical plant and the office furniture and equipment.

Thank you for the opportunity to submit our views. We would be happen to answer any questions you may have.

# TESTIMONY

before the

APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

of the

HOUSE APPROPRIATIONS COMMITTEE

by

ROBERT N. BUTLER, M.D.

BROOKDALE PROFESSOR OF GERIATRICS AND ADULT DEVELOPMENT AND

CHAIRMAN, GERALD AND MAY ELLEN RITTER DEPARTMENT OF GERIATIRCS

AND ADULT DEVELOPMENT

It is a pleasure to testify before you today on behalf of the National Institute on Aging. As you know, I headed the National Institute on Aging from 1976-1982 and I have followed the progress of the Institute with great interest. While I recognize and applaud the increase in research on aging throughout the National Institutes of Health and in the Veterans Administration, I want to focus my attention and remarks today on the budget of the National Institute on Aging because when NIA was established, the legislative mandate that Congress set forth required NIA to coordinate research on aging and to disseminate that research as well as serve as the principal entity to conduct and support aging research and research training.

Aging research and training require a substantial investment of resources. Senator John D. Rockefeller, Chair of the U.S. Bipartisan Commission on Comprehensive Health Care (called the

Pepper Commission), recognizing the growing needs of the disabled and elderly populations, called upon our country to invest $1 billion in research on aging. Yet, the President's Budget request for NIA in FY91 is $248.938 million. About $200 million of the $248 million is earmarked for research on basic disorders and disabilities in later life, to understand aging and promote health, and to identify interventions for special populations. Yet the opportunity exists to fund at least another $175 million for first-rate, high quality research. The consequence of not funding this research results in higher monetary costs now and extraordinarily higher costs in future years. The inability to support researchers also has serious consequences for the development of future researchers as I will discuss later.

I know that you recognize the importance of research on aging. The research supported by your appropriation not only focuses upon discovery but application of new knowledge which make real differences in people's lives, especially the widowed mothers of our society. New discoveries, new rehabilitation techniques, and new insights into the interaction of aging and function improve the ability to remain at home and perhaps participate in the community. Research success relieves the stress and burden upon caregivers who face the daunting need to care for demented and disabled individuals who can do little, if anything for themselves, but who can not be left by themselves.

The Office of Technology Assessment Government's Advisory Panel on AD has called for $300 million for Alzheimer Disease research and $50 Million for Services Research. With the recent findings in East Boston reported in the Journal of the American Medical Association that there is a 10.3% incidence of Alzheimer Disease among those aged 65 and over, our country is facing a time bomb which will explode by the middle of the next century.

New knowledge through funded research can avert this catastrophe. Research allows us the best of all worlds -- service improvements, perhaps prevention of problems and, ultimately -- cost containment by improving outcomes, deferring problems or avoiding them altogether.

The studies of hormonal treatment for enlarged prostates are an example of how research improves outcomes and cost the system less money. Shortly after I started at NIA, we established research to develop medical treatment for prostrate disease. Although the FDA has not yet approved the hormonal therapy to combat benign prostatic hyperplasia (BPH), drug approaches appear promising in the clinical trials to date. In addition to drugs, other new techniques are also being tested. These are much less costly than the 400,000 prostatectomies for which Medicare pays well over $1 billion per year.

In the area of training, the President's budget calls for only $11.47 million while the need for geriatricians and academic leaders in geriatrics grows daily. At a minimum, the NIA should support 10 Centers of Excellence and spend $32 million on training new faculty and fellows. I can't repeat too strongly or too frequently that training geriatricians must become a higher priority in this country.

During the past year, I have served as a senior advisor to the National Academy of Sciences' Institute of Medicine, National Research Agenda on Aging which has received generous grants from the Commonwealth Fund in New York and the Pew Memorial Trust. The committee is ably chaired by Julius Krevans, M.D., Chancellor of the University of California and it expects to release its report later this year. I am sure he will be delighted to testify before you on the research plan when it is released. Although the report has not yet received the final clearances of the Academy process, the report will make a major contribution to the understanding of the scientific and policy-making community in Congress. The report identifies and specifies the compelling need for new knowledge and where the breakthroughs are most likely, in biological, clinical, behavioral and social sciences and health services research. The report should help the Congress, private sector business and the philanthropic community to identify areas of research which will enhance the quality of life and the care available for the growing numbers of older people. The research should also provide new knowledge of how and why we age.

I am concerned about the clarity of the relationship between the NIA and the new Agency for Health Care Policy and Research which has received a substantial increase in appropriation. The

Research on Aging Act of 1974 was clear that NIA should play a critical role in coordinating research on Aging and the Aged in the Health and Human Services Agency. I am delighted that President Bush has recognized the importance of outcomes research and has recommended a multi-fold increase in funding to AHCPR. Many services are not necessary, not effective or not appropriate; some are even dangerous and many are quite costly. Since, however, AHCPR is dedicated to controlling Medicare spending and since the majority of Medicare beneficiaries are elderly people, it is critical that NIA and AHCPR's activities be well defined and the research be coordinated.

I was dismayed to learn that the NIH research budget has experienced an unprecedented decline in the percentage of approved grants which are actually funded. It appears that in FY91, NIA will only be able to support about 17% of new and competing approved grants. At my own medical school, the Mount Sinai Medical School in New York City, (as is true elsewhere) we have great difficulty in recruiting geriatrics faculty. And, I know that this shortage is found in all medical schools.

Thus, it is extremely discouraging that physician scientists and others in the gerontology and geriatrics community, who develop and submit grant proposals **which are recognized as outstanding**, and are approved through the rigorous study section peer review process, receive no funding. In effect, these individuals are turned away, perhaps forever, from studying aging and the issues which during the next two decades, will become ever more important. The unwillingness to fund more research can effectively kill this newly emerging field and limit our ability as a country to develop new knowledge of how to answer many mysteries and miseries of aging.

Historically, fields within the National Institutes of Health have developed and gained momentum with Centers of Excellence. Centers allow newly emerging fields to take advantage of economies of scale of scarce resources. Centers concentrate -- animal models, animal colonies, faculty, medical fellows, human populations and all the other knowledge and materials necessary to encourage research in the new field -- in one place. The centers and supported research which naturally flows from the Centers also sends a signal that the new field is important and intellectually demanding.

I urge you to allocate enough money to support ten centers of excellence over the next five years. Currently, the National Institute in Aging has two Centers of Excellence -- the Claude Pepper Centers -- which will stand as a proud tribute to your fellow Congressman, who recognized the critical importance of research in all areas of health and who knew the importance of aging research. I ask you to support geriatrics' development as Congress was wise to do in the past e.g. with the National Institutes of Heart and Cancer. These institutes have proven that the investment in Centers and the development of research agendas, does promote new knowledge, treatments and relief for millions. We only have to note the 30-40% reduction in deaths for heart disorder and strokes to understand the impact of research on the lives of all of us.

Finally, I know you recognize the importance of dissemination of information to the public. Health promotion and disease prevention encourage individuals to remain healthy -- and that is the best cost containment. I therefore encourage you to provide that NIA will resources to carry out its legislative mandate to disseminate knowledge to the elderly people in this country.

PUBLIC AND SCIENTIFIC AFFAIRS BOARD
**AMERICAN SOCIETY FOR MICROBIOLOGY**

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April 19, 1990

Congressman William H. Natcher
Chairman, Subcommittee on Labor,
Health and Human Services, and Education
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The American Society for Microbiology (ASM) would like to submit the following statement for the record on the Fiscal Year (FY) 1991 Budget for the Centers for Disease Control (CDC). Based on the budget requests made by the Administration for FY 1991, it is our belief that the Centers for Disease Control will have insufficient funds to discharge its responsibilities as the primary agency in controlling disease and providing research and training in the control of disease. The overall increase of 7% falls short of the increase of 12% in FY 1990. The increase for the non-HIV/AIDS portion of the proposed budget is only 2.3%. This does not cover inflation and is less than the 8% increase in FY 1990. We note that significant resources are being allocated for the control of HIV/AIDS and we welcome this continuing effort of the Administration. However, we are extremely concerned about the consistent neglect of the other areas of disease control which are still within the purview of CDC.

1. **Sexually transmitted diseases:**

For the past several years, the Administration has consistently refused to increase funds for project grants awarded to state and local government authorities to support programs in education, surveillance, testing, outbreak investigation, and the control of sexually-transmitted diseases such as syphilis, gonorrhea, and chlamydiasis. The rising number of syphilis cases is frightening. The number of cases rose 30% in the past two years to the highest number since 1948! In the same two year period, the number of reported congenital syphilis cases rose by the unbelievable rate of 152%! The increase was greatest among blacks and Hispanics, especially in the inner-city population and among "crack" users. How does the Administration propose to control HIV/AIDS if it fails to provide sufficient funds to control other sexually-transmitted diseases, such as syphilis, in our high density urban areas? To cope with this national scourge, the Administration has requested the same amount of money as was approved in the FY 1990 appropriation. The ASM believes that this request is totally inadequate to cope with a problem of such national import. We are losing the war on syphilis and seeing a steady increase of HIV/AIDS in the same population. It is apparent that the CDC will continue to have problems mounting an effective national program against sexually-transmitted diseases. Therefore, we urge the Congress to increase the Administration's budget request for sexually-transmitted diseases by at least $20 million. That should be directed toward state and local programs which are most capable of reaching at-risk populations.

2. **Immunization:**

Immunization of young children has been considered by many one of the most successful activities of CDC in insuring quality of life of infants and children and reducing morbidity and mortality. It has also been the most cost effective method of preventing human disease and reducing health costs. We are concerned that there is virtually no increase requested for project grants over the FY 1990 budget. Therefore, we recommend for FY 1991 an additional $5 million for project grants to maintain the same level of coverage as in previous years, and to support an increase in the efforts of the perinatal Hepatitis B program in inner city and minority populations. Despite the availability of effective vaccines and antiserum, there is still a very high incidence of infections with associated loss of productivity and chronic disease. Support is also needed for implementing the OSHA required vaccination against Hepatitis B for the control of blood borne viral infections in such volunteer organizations as rescue squads, fire brigades and similar public service organizations that are at risk for infection with blood- borne viruses.

Over the past years, there have been several major outbreaks of measles in the nation's colleges and universities. The Society believes that it is necessary to investigate the immunization status of the college age population to prevent recurrence of these major outbreaks and to promote an active vaccination program as well as revaccination for certain age groups that had been vaccinated by nonprotective vaccines. Therefore, we recommend that an additional $40 million be appropriated to carry out the recommendations of the Advisory Committee for Immunization Practices for measles immunizations. We are very concerned that the Administration has not requested funds to increase the vaccine stockpile in 1991. The contention that anticipated decreases in vaccine prices due to the Vaccine Compensation Act will reduce the cost of vaccine for the stockpile is unfounded. We believe that the stockpile of all vaccines should be raised to at least a 26 week supply and should include the Haemophilus influenzae b vaccine. We urge Congress to review this matter in great detail and to consider the reinstitution of funds for the vaccine stockpile at about $6 million.

### 3. Infectious diseases:

Many members of the American Society for Microbiology are practicing clinical microbiologists and physicians specializing in infectious diseases. We at ASM are concerned that due to the inadequate funding, the National Center for Infectious Diseases may not be able to remain in the forefront of developing studies and strategies for the control of a number of emerging and reemerging infectious diseases. Over the past five years, the average increase in appropriations did not stay in step even with inflation.

While exerting great efforts to reduce the cost of hospitalization, the United States has not been able to reduce the incidence of nosocomial infections in US hospitals. If we consider that one third of all nosocomial infections (about 2 million cases per year) can be prevented by appropriate control mechanisms, it is extremely important that community hospitals as well as various extended care facilities are able to call on the experts of the CDC for advice and support in this area. These experts must have the capability to do research in the areas of nosocomial infections, associated causes, strategies of prevention, and biology of microorganisms. Furthermore, the Center must support the education and training of infection control personnel, serve as national consultant, and help develop standards of practice in this arena.

Tuberculosis, a reemerging disease, disproportionately affects minorities including recently arrived refugees from third world countries, as well as elderly and socioeconomically disadvantaged members of our population. Our indicators show that the tuberculosis problem in these groups is worsening and is not being appropriately controlled by our present public health efforts. In order to support the challenge to eliminate tuberculosis from the United States by the year 2010, Congress must support innovative programs. The CDC, in cooperation with state and local authorities, is the obvious leader for administering and developing cost effective programs for identifying high risk groups. Having gravely neglected the support of these programs over the past years, Congress ought to express its interest in controlling this scourge and in making the United States free of tuberculosis by 2010 by allocating $25 million to this elimination program.

Lyme Disease, a newly recognized infectious disease of worldwide significance, requires additional research and evaluation of preventive control measures as well as laboratory diagnosis. A $5 million allocation will push this program into the realm of reality.

Other infectious diseases which need to be studied by the Centers for Disease Control are non A/Non B hepatitis, adult T cell leukemia/lymphoma caused by HTLV1, causes of fetal death, infections in neonates, and the increasing problems of infectious disease transmission in daycare centers.

Food-borne diseases caused by such organisms as salmonella, campylobacter, listeria, and pathogenic Escherichia coli affect at least 6 million persons annually, and the number of cases continues to rise. Experts from the Centers for Disease Control must be able to coordinate efforts to prevent such problems which have a major impact on the economy of the United States. Again, a $5 million allocation will permit CDC to do basic work and support local and state programs of control and surveillance.

All these programs cannot be supported with the very modest budget requested by the Administration. We strongly urge Congress to consider at least doubling the requested budget for these important infectious disease control programs.

## Conclusion

We believe that the United States cannot retain its leadership role in international health without well trained experts and scientists in our government agencies. Although insufficient funding affects the entire Public Health Service, we are specifically concerned about its effect on the technical, clinical, and epidemiologic expertise of the Centers for Disease Control. The CDC has brought high prestige to our country and has been a major contributor to the resolution of infectious disease problems world wide. We hope Congress will continue to support our colleagues in federal employment in order to maintain a high quality scientific and professional staff.

Congress mandated in PL 100-578, Section 4, that the CDC conduct five studies to determine the effectiveness of the new governmental regulations of laboratories. The results were to be reported to Congress by May 1, 1990. Funding for these important studies, however, has not yet been appropriated. In order for CDC to identify the problems with proficiency testing, standards of personnel, internal quality assurance, effect of inaccurate test results, and the value of tests to the clinician, it is imperative that at least $1 million be allocated.

We welcome the opportunity to work with you and to assist you in any way possible. We urge that budgetary changes be made for the Centers for Disease Control, so that it may perform its assigned functions efficiently and economically in order to comply with the public health charter to protect the health of our nation.

Sincerely,

Kenneth I. Berns

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Dieter H. M. Gröschel

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# TESTIMONY OF

# THE NATIONAL DISEASE RESEARCH INTERCHANGE AND THE HUMAN BIOLOGICAL DATA INTERCHANGE

Before the United States House of Representatives
Appropriations Subcommittee on Labor,
Health and Human Services and Education
and Related Agencies

Submitted for the Record by

Lee Ducat
President

of

The National Disease Research Interchange
The Human Biological Data Interchange

FY 1991 Appropriations for the
National Institutes of Health

April 19, 1990

11:20 a.m.

Mr. Chairman and Members of the Subcommittee:

I am Lee Ducat, and I return to you today as a concerned parent and grandparent, concerned for my son and his children and the 12 million Americans who are afflicted with the dreaded disease known as Diabetes.

When my son was diagnosed a Diabetic as a nine year old, I was motivated into action, determined to find the cause and the cure for Diabetes by focusing national attention on this debilitating disease that does irreversable damage to our kidneys, our heart, our eyes and our nervous system -- virtually every one of the body's organs -- and disproportionately so to Minority populations like Blacks, Hispanics, Native Americans and Native Hawaiians.

Mr. Chairman, as we begin the last decade of the 20th Century, my mission is not yet complete. The cause of Diabetes is still unknown - it continues to elude or Nation's top researchers. But we are moving closer to a cure. We have the technology.

And 1990 will not doubt be a pivotal year in the history of Diabetes research. This year marks the 20th Anniversary of my founding the Juvenile Diabetes Foundation (JDF). Having since expanded into an international organization, with a membership of over 500,000 families, JDF is the largest volunteer health organization committed to support research to find the cause and the cure for Diabetes and its complications. This year also marks the 10th Anniversary of my founding the National Diabetes Research Interchange (NDRI), which became the National Disease

Research Interchange in 1986 when it expanded to serve over 80 disease categories, including Cystic Fibrosis, Cancer, Diabetes Mellitus and Hyaline Membrane Disease.

Most recently I founded the Human Biological Data Interchange (HBDI) with the assistance of JDF. Responding to the scientific research community's discovery that Diabetes is a genetic disease, HBDI's goal is to provide researchers with information and statistics about families with Diabetes to trace the disease throughout the various segments of our population. I am proud to announce that HBDI has produced 135 family cell lines -- a small yet vital first step towards helping researchers pinpoint the Diabetes genes. The scientific research community believes that finding the Diabetes genes will unlock the door to the causes and the cure for Diabetes.

Recognizing that Diabetes genes research should be the Federal Government's major thrust to solve the mysteries of this horrible disease, the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK), under the direction of its Director, Dr. Phillip Gorden, convened just last month on March 15th the most eminent researchers from around the country for a meeting he titled "The Search for the Diabetes Genes". As an invited guest and participant at this meeting, I was excited to observe this expert panel reach a consensus on the need to exploit fully the new research leads in this field, and to take advantage of the broad array of new molecular biology techniques, to discover the Diabetes genes. I am submitting for the record with my statement a copy of their recently issued report, entitled "The Search for the Diabetes Genes, Report from a Workshop." These experts recommend, and NDRI and HBDI support the recommendation, that an additional $50 million above and beyond the $8.5 million NIDDK currently has invested in Diabetes genes research, be appropriated to combat the disease that costs our Nation an estimated $20 billion annually. Spending $2.50 to save $1000, to improve the quality of life for some 12 million Americans afflicted with the disease and their families, and the possibility of preventing Diabetes for our future generations, is no doubt a "blue chip" investment of our taxpayers' money!

Doubters may question the worthiness of such an investment in the future health of our Nation. In this respect, I must simply say the investment can and will pay off! Successful NIH-sponsored gene research must not go unnoticed. Quite recently, a massive 5-year effort, spearheaded by NIH, produced the identification, cloning and sequencing of the Cystic Fibrosis gene! This awesome achievement will serve as the catalyst to discover the cause and the cure for Cystic Fibrosis.

And Diabetes, while certainly a more complex disease, in that researchers recognize more than one gene is responsible for the disease, initial breakthroughs have been made which must now be capitalized on by intensifying the Search for the Diabetes Genes. For instance, a dramatic discovery in the last two years has uncovered a Diabetes susceptibility gene in insulin-dependent or Type I Diabetes. This gene appears to be necessary but not completely sufficient to cause the disease. In animal models there is a suggestion that additional genes are involved, but as yet, no other gene has been identified in humans. There is an urgent need to search for these other potential Diabetes genes in insulin-dependent Diabetes.

As promising as these research results are, they cannot be expanded upon or learned from without additional federal funding. The harsh reality is that since NIDDK's Fiscal Year 1987 budget of $510,880,000, its budget has decreased annually in constant, inflation-adjusted 1987 dollars, and it is projected to decrease again under President Bush's Fiscal Year 1991 request to a dismal $490,201,000. During this same timeframe, the budget for the Division of Diabetes also has decreased woefully in constant, inflation - adjusted 1987 dollars to the extent that the President's Fiscal Year 1991 request is a horrific $260,093,000. This represents more than $5,500,000 decline from the Division's $265,723,000 Fiscal Year 1987 budget. Pure and simple: our children -- our Nation's future -- cannot afford to accept this downward spiral. We can and must do better.

NDRI and HBDI strongly support Dr. Gorden's professional judgment request of $808,000,000. This figure takes into account the additional $50 million the Institute needs to support its Search for the Diabetes Genes initiative. And with respect to NIH, as a whole, we urge funding of $9.237 billion in Fiscal Year 1991.

Since 1970, when I became actively involved with Diabetes, the greatest advances in Diabetes research have been made when the Federal Government, private industry, the scientific research community and the voluntary health organizations have coalesced to put forward a truly concerted effort. One week from today, on April 26th, in fact, all facets of this exciting initiative will be represented here in Washington at the "Search for the Diabetes Genes" Capitol Hill Conference, the purpose of which is to determine how we can all work together to promote the discovery of the Diabetes genes. Now is the time to transform our knowledge and quickly evolving genetic technology, techniques and therapy into action to guarantee that the 1990s produce the Diabetes genes!

On behalf of NDRI and HBDI, thank you for this opportunity to present our views. I would be pleased to answer any questions you may have.

## THE SEARCH FOR THE DIABETES GENES

Report from a Workshop

Diabetes has been a leading cause of death in the U.S. for more than 50 years. It is estimated that about one-half million Americans with diabetes and its complications die each year. Diabetes has become the leading cause of new adult blindness, end-stage renal failure and nontraumatic amputations. It is also a major risk factor for stroke and myocardial infarction. In this country, approximately 12 million people have diabetes with a disproportionately high prevalence in several minorities having Hispanic, African, Native American and Native Hawaiian ancestry. The economic burden of this disease has been put at over $20 billion per year with a significant portion impacting directly on federal expenditures in Medicare, Medicaid, and Social Security Disability programs.

In the last decade we have witnessed an explosion in our knowledge and skill allowing the isolation of genes responsible for a few but growing number of severe human diseases such as Duchenne muscular dystrophy and Huntington's chorea. Most recently, a five-year effort has culminated in the cloning and sequencing of the gene responsible for cystic fibrosis. This crowning achievement has had a dramatic effect on research into the cause and cure for cystic fibrosis.

Diabetes is a genetic disease. The term "diabetes," however, encompasses a number of different diseases and hence a number of different genes may be involved. In contrast, cystic fibrosis is a single disease involving a single gene. In cystic fibrosis, the issue was akin to looking for a needle in a haystack where one started with the knowledge that there is one needle and one haystack. In diabetes, the problem is more complex in that there are undoubtedly a variety of needles and a variety of haystacks. Novel approaches were developed to identify the cystic fibrosis gene and still others will likely be discovered during the isolation of diabetes genes. Geneticists are already at work to develop the research tools and techniques to solve the difficult challenge of diabetes.

There has already been progress in the search for the diabetes genes. Within the last two years, a dramatic discovery has uncovered a diabetes susceptibility gene in insulin-dependent or type I diabetes (which affects 500,000 children and young people in the U.S.). This gene appears to be necessary but not completely sufficient to cause the disease. In animal models there is a suggestion that additional genes are involved, but as yet, no other gene has been identified in humans. There is an urgent need to search for these other contributing genes in insulin-dependent diabetes.

Noninsulin-dependent diabetes affects over 11 million Americans and is the predominant form of the disease that severely impacts upon U.S. minority populations. This clustering of prevalence among ethnic/racial groups along with studies of families and animal models points to the genetic nature of this disease. A variety of other genes may be related to the long-term complications suffered by those with all forms of diabetes. In these areas, however, we do not yet know which genes are involved. It will, therefore, be worthwhile to apply a wide array of molecular biological techniques to explore genes related to insulin secretion, insulin action, and key metabolic processes that regulate the body's metabolism.

Thus, the task is very large--but the cause of diabetes will not be known until a major assault is made into each of these areas employing all the technologies now available and developing new technologies as the research progresses. Though these studies will have special relevance to diabetes, they will also make contributions to the quest for understanding the human genome and other complex genetic diseases. Specific scientific questions or research areas that are important and amenable to study include:

- Specific identification and localization of genes for diabetes or diabetes susceptibility (especially in populations with a high prevalence of diabetes). ["Gene Mapping"]
- Using genetic techniques to identify pathophysiologic processes in diabetes. ["Reverse Genetics"]
- Genetic regulation of beta cell differentiation and its role in diabetes.
- Elucidation of the molecular mechanisms controlling insulin biosynthesis, insulin secretion and related beta cell function.
- The immunogenetics of insulin-dependent diabetes mellitus and the molecular mechanisms of beta cell destruction in this form of the disease.
- Genetic manipulation of beta cells or surrogate cells to replace physiologic insulin secretion capacity that has been destroyed in the disease process. ["Gene Therapy"]
- The molecular mechanisms of insulin action on target tissues and the molecular bases for the insulin resistance of noninsulin-dependent diabetes mellitus.
- Genetic influences and basic molecular mechanisms responsible for the long-term complications of diabetes.

Over the last few years, the NIDDK has taken action to stimulate research in the areas of genetics and molecular biology. The National Diabetes Advisory Board (NDAB) in their Long-Range Plan to Combat Diabetes, 1987, made several recommendations to the NIDDK directed at increasing progress in this area. They stressed the need for interdisciplinary research collaboration. Three colloquia were held that brought together leading diabetes researchers with preeminent basic scientists to stimulate new interactions. At this time, a few new collaborating research efforts have been initiated as a result of these discussions, and the NIDDK reports that approximately 8.5 million dollars per year is being used to support all aspects of research in the genetics of diabetes. In order for this endeavor to accelerate and expand to a level commensurate with the potential for progress, additional resources beyond the present capability of the NIDDK will need to be committed. The addition of $50 million per year could be used effectively and efficiently. A general recommendation for such an allocation is presented in the following table with a brief explanation of each element.

SUGGESTED ANNUAL RESOURCE ALLOCATION FOR "THE SEARCH FOR THE DIABETES GENES"

| | $(millions) |
|---|---|
| 10 Multiinvestigator Research Grants (P01 type) | 15 |
| 45 Individual Investigator Grants (R01 type) | 15 |
| Contracts for Centralized Resource Support | 5 |
| 13 Molecular Biology Core Grants to Diabetes Centers (P30, P60) | 5 |
| Intramural Research (NIDDK) | 5 |
| Equipment for Genetics Research | 3 |
| Training/Career Development | 2 |
| | 50 |

The National Diabetes Advisory Board highlighted the opportunity for the increased integration of basic research advances into diabetes-related research. The establishment of a new interdisciplinary, multi-investigator, research grant program was proposed by the NDAB to meet this need. A few such large grants have been made within the existing NIDDK research support program but an expansion of this valuable approach is needed. A large portion of the most innovative progress in this area of research has come and is likely to continue to come in the context of individual investigator initiated research projects so an increase in such support would be optimal. Success in the search for the cystic fibrosis gene came as the result of a close collaboration and coordinated effort between several gene mapping laboratories that had previously been quite competitive with each other. The lessons learned by this experience should be applied to the search for diabetes genes. A portion of the research grant resources should be used to recruit a number of experienced gene mapping laboratories into a centrally coordinated cooperative research project aimed at the specific identification of diabetes genes. Such a process will require centralized facilities for data management and for procurement and supply of standardized reagents or patient material. Therefore, contract funds should be available to support these centralized activities. Existing NIDDK-supported Diabetes Centers should expand their activities in molecular biology. The intramural research program involving the Pima Indians provides an excellent opportunity to explore the human genetics of diabetes in this population. The new technology has brought with it significant costs for sophisticated scientific equipment. Finally, it is essential to increase the cadre of well-trained investigators that will be necessary for success.

Success of the proposed research will directly impact on human health. Gene identification will provide a way to determine those who are at high risk prior to the onset of illness for the most aggressive preventative interventions. An understanding of the disease process will invariably lead to new, more effective approaches to treatment or prevention. The ultimate potential for "gene therapy" will also grow as our knowledge expands.

When the twentieth century began, those unfortunate enough to have diabetes were destined for a short and desolate survival. From the time of the discovery of insulin in the first quarter of the century until today, people with diabetes have been experiencing an increasing life expectancy and improving quality of life. Unfortunately, this success has come at a price. Those living longer have fallen prey to the insidiously destructive nature of this disease. As we enter the last years of this century, we have an opportunity to finally learn how to prevent and cure diabetes using the elegant tools of modern biomedical science. When the twenty-first century begins, those unfortunate enough to have diabetes can hold the hope that their futures include a cure and that others will not face the fear of this devastating disease.

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American
Psychological
Association

Advancing psychology as a science, a profession, and as a means of promoting human welfare

TESTIMONY OF

DIANA WOODRUFF-PAK, Ph.D.

DIVISION 20
AMERICAN PSYCHOLOGICAL ASSOCIATION

April 20, 1990

Testimony submitted for the record
House Appropriations Subcommittee on
Labor-HHS-Education

1200 Seventeenth Street, N.W.
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Mr. Chairman, Representatives, and other distinguished witnesses and guests, we appreciate very much the opportunity to testify here today as public witnesses. The Division of Adult Development and Aging (Division 20) is a group of 1,300 psychologists with Ph.D. degrees working in academic, research, and clinical settings. Our members have a large range of interests in behavioral aging--from neurobiological basic aspects to social factors to clinical applications. A number of our members are grantees of the National Institutes of Health and ADAMHA, so we are well placed to offer suggestions about maximizing potential in old age and to suggest spending priorities to this Subcommittee based on our scientific experience.

There are three topics we want to address today: The need for additional funds for basic research; the need to encourage and retain additional NIH and ADAMHA trainees; and the special need for additional support by the Congress for behavioral research on aging.

One of our distinguished Division 20 members, Dr. M. Powell Lawton, Director of Research at the Philadelphia Geriatric Center pointed out that the mission of the National Institute on Aging is unique in being focused on a state through which most Americans will pass. One might say that aging gained official NIH recognition in 1974 when the NIA was founded. During the 16 years since that time, America has in turn recognized the last one-third of life both as a time with benefit to society at large and a time to be enjoyed by people of that age. The NIA led the way in stimulating research designed to improve the physical, psychological, and social health and functioning of older people.

However, the rate of increase in funding for NIA has not kept pace with the growth of aging as a national phenomenon.

Members of Division 20 agree with the Pepper Commission's recent call for a $1 billion total commitment to research on the conditions of aging. Currently, only about 6% of NIH research funds are spent on aging. NIA's 1991 budget request is $248.9 million. Yet an estimated $215 billion will be spent in 1990 on treatment of Americans over age 65. We are spending one-thousandth of the dollars on research that we are spending on care and treatment. An additional investment of research dollars is essential for many reasons.

For decades gerontologists have noted that the aged are the most rapidly growing segment of our society. Since 1980 the older population has increased by over 6 million people. Life expectancy continues to rise, and 6,000 Americans turn 65 every day. The oldest-old, those over the age of 85 whose health and long term care costs are greatest, are increasing at the fastest rate. As the post-World War II baby boom generation ages, America's productivity will become increasingly dependent on the contributions made by the aged. We must be prepared to utilize better the talents of older adults as well as prepare to take care of them efficiently and effectively. Research is the most important means we have to make such preparations.

While the proposed 1991 budget request for the NIA will maintain funding at previous levels, it really represents a continued decline in new research project grants at NIA. In 1988 there were 214 new and competing research grants awarded, but 194 in 1989, 156 in 1990, and 153 projected for 1991. Between 1988 and 1990 there has been a 30 percent drop in the number of new competing research grants awarded by NIA, and the 1991 budget extends this plummeting trend. This trend is directly contrary to the pronounced increases in excellent applications, as increasing numbers of competent investigators have become concerned with aging. All this has a major, negative impact on research, creating a backlog of many excellent, unfunded research projects.

This backlog is most discouraging. The researcher's incentive to submit research grants on aging is dying. The odds are becoming so formidable that talented and well trained investigators give up altogether. Even for those of us who have been funded many times, it is daunting to contemplate the large time investment it takes to design and submit a research proposal when so few awards are available. Junior colleagues may be even more discouraged. Last year the American Psychological Association commissioned a study from the Rand Corporation which reported that there had been a striking decrease in the proportion of awards to researchers under the age of 35. In the past decade we have watched funding for research decline to the point where we have to have almost a perfect peer review score to be funded. Even when we get consensus on grants and receive very high priority scores, the odds for funding are against us. Not only do present funding levels prevent many highly meritorious grants from being funded, but these funding levels prevent untold hundreds of proposals from ever being conceived, written, or submitted. This is an immeasurable cost to scientific creativity in the United States.

Aging is one of the most complex of all scientific problems. Its secrets will not be yielded up in a short time.

In 20 years the first wave of the post-World War II baby boom generation will start hitting age 65. We have begun to feel the impact now; yet we are reducing the number of federally funded research awards on aging. To begin to have answers on important issues of aging in five years, we need to initiate more research in 1991. NIA currently is funding only 17% of its approved research grants. More than twice that number of approved proposals could be funded without a decline in the quality of NIA-supported research. Thus, at a minimum, the number of new research awards should be doubled. An additional $39 million added to the 1991 NIA appropriation would achieve that goal.

Just as serious as the decline in the number of research awards is the decline in the number of funded trainees. We applaud Congress' action to establish the Claude Pepper Geriatric Research and Training Centers program, but we are still concerned that too few young researchers are choosing aging research as a career. Furthermore, we feel that the emphasis should be more broadly on training in gerontology, the multidisciplinary scientific study of normal aging, as well as on geriatrics, the medical study of disease in old age. A vast majority of older adults are healthy, and an increased number of scientists need to be trained to help older adults to maintain their health, functioning, and independence. We also need to examine older adults' potential for further contributions to our society. To deal with these issues, funding for pre-and post-doctoral training in behavioral and social issues on aging is particularly important, and should be increased in the 1991 appropriation by $1.2 million.

As psychologists, we are particularly interested in emphasizing the significance of behavioral research on aging. Congress last year instructed NIH to increase spending for health and behavior research, which has hit a plateau of only 3% of the NIH budget. We appreciate that vote of confidence and urge you to maintain the pressure to fund more health related behavioral research. In addition, behavioral research holds immense promise for understanding and affecting processes of aging. The scope of research on behavioral aging is broad, and certainly, in this short testimony, only a few highlights of behavioral research on aging can be presented to alert you to the potential for beneficial impact on an aging society.

Two very important points about behavioral research on aging are: gerontologists aim to maximize the quality of life; and behavioral research often provides means to reduce costs for care of the elderly. For example, the current annual cost of long term care services is estimated to exceed $50 billion, with an estimated $20 billion consisting of out-of-pocket payments by individuals and their families. In the 1990s and beyond, this staggering cost is expected to increase as the population ages. NIA-supported research on long term care aims to lay the knowledge base for legislative, regulatory, professional, and personal interventions to reduce the needs for long term care and institutionalization. Results from this research are also likely to improve the quality of life for older people needing long term care and diminish burdens on families. An increase of $24 million to the 1991 NIA appropriation should be made to meet the Institute's program for Behavioral and Social Research on Long Term Care.

Maintaining health can affect whether an aging individual maintains independence and avoids institutionalization. The 1979 Surgeon General's Report on Healthy People documented the importance of health habits and life-style factors for morbidity and mortality. An understanding of the pathways linking health and behavior and the interacting influences of age and other bio-social factors is important for improving the health and quality of life of older adults. Developing and testing the effectiveness of psychosocial interventions for promoting health-enhancing behaviors and discouraging health impairing ones can lay the knowledge base to reduce the burdens and costs of care associated with illnesses and disabilities caused or exacerbated by social and behavioral factors. To fund the NIA program on Aging, Health and Behavior, $20 million must be added to the 1991 NIA budget.

The changing nature of the labor force in the United States, with its increasingly large older segment and declining younger segment, has tremendous implications for the future productivity and well being of our country and its older citizens. Research on ways to optimize performance in older adults, to motivate them to remain in the workforce when their talents are needed, and to facilitate adjustment to retirement and productive roles outside the work force-may significantly affect the way the United States functions in a changing world economy. An additional $6 million should be added to NIA's 1991 budget to fund research on work, retirement, and health, including $1.5 million for the new Health and Retirement Survey.

NIH research support has advanced many frontiers of science. In my particular area of interest, behavioral neuroscience, we are on the verge of discovering basic secrets about the neurobiology of learning and memory. We have mapped several learning and memory circuits in the brain and are examining on a fundamental level what memory is. We are also exploring what chemicals can make memory better. The implications for aging are obvious. In normal aging we all experience searching for a name or a word and complain of more frequent memory lapses. Of course, in Alzheimer's Disease and other dementing illnesses, memory is the characteristic behavior that is lost. The level of funding that you appropriate for NIA will affect when breakthroughs in memory, both in healthy and afflicted older people, occur. This type of research, investigating how memory and other cognitive capacities change in older adults, is currently being supported by the NIA within its Neuroscience and Neuropsychology of Aging program, but funding for behavioral and cognitive research there is insufficient to support many of the excellent grants that have been submitted. Another $5 million is recommended so that we can begin to understand which memory changes are to be expected as people age and which are signs of dementing illnesses. Without a firmer grasp of the physiological and psychological bases of memory, it will be virtually impossible to cure memory problems. Breakthroughs will occur: funding levels will affect how rapidly they occur. The question is: will there be memory drugs available to your generation, to your children's generation, or to your grandchildren's generation? The rate of our progress to maximize productive behavior in old age depends to a great degree on the level at which we fund research on aging. To accelerate this rate of scientific advance, to save billions for care and billions for care and treatment and to maximize the quality of life and alleviate suffering for the elderly, we strongly urge you to double the number of funded new and continuing NIA grants ($39 million), increase funding for behavioral science training ($1.2 million), and increase behavioral research support for NIA programs on long term care ($24 million), health and behavior ($20 million), and work and retirement ($6 million). The resulting $95.2 million increase in the 1991 funding appropriation of NIA would provide both a total appropriation of $344.2 million for this most important institute and an immeasurable potential future benefit for our aging society.

# STATEMENT FOR THE HEARING RECORD OF
# THE CINCINNATI GAS & ELECTRIC COMPANY
# BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
# LABOR, HHS, & EDUCATION
# REGARDING
# REAUTHORIZATION OF THE 1981
# LOW-INCOME HOME ENERGY ASSISTANCE ACT

We are pleased to present on behalf of The Cincinnati Gas & Electric Company and its subsidiary companies (Company) to this honorable subcommittee, this statement of support for adequate funding for the Low Income Home Energy Assistance Program.

The Cincinnati Gas & Electric Company and its subsidiary companies are investor-owned public utilities serving a population of approximately 1.7 million in a service area of approximately 3,000 square miles. The Company provides gas and electric service in the southwestern portion of Ohio, and adjacent areas in Kentucky and Indiana.

It is our understanding that the Administration has proposed to reduce LIHEAP funding 24.6% from the Fiscal Year 1990 appropriation level of $1.393 billion to $1.05 billion for Fiscal Year 1991. The Company is opposed to any further reductions in LIHEAP funding for several important reasons.

LIHEAP is a safety net of critical importance to our low-income customers. Without this vital assistance, the plight of our low-income customers would be seriously worsened, despite the availability of liberal payment plans, private sector fuel funds, and other Company-sponsored programs. Already, we have witnessed very large decreases in LIHEAP benefits to our low-income customers. In 1985, our customers were benefitted by approximately $6 million in LIHEAP assistance; while in 1989, the amount of LIHEAP assistance had decreased by 42% to approximately $3.5 million.

If the proposed reductions are made, the impact will not only be felt by our low-income customers, but also by all other customers who will end up shouldering the increased amounts of unpaid bills. Such an impact will be dramatically experienced by the so-called "working poor" who are not LIHEAP eligible, but are experiencing significant difficulty in paying their energy costs.

Also, oil overcharge funds which have been used by some states to supplement LIHEAP, are nearly depleted. When this source of supplemental funding has dried up totally, the inadequacy of LIHEAP funding will be heightened.

It should be noted that the Company and many other utilities have initiated, in coordination with community-based organizations, private sector fuel funds. Our fuel funds are HeatShare in our Ohio and Indiana service areas, and WinterCare in our Kentucky service area. In 1989, HeatShare and WinterCare assisted 1,363 customers in the amount of $340,000, which averages approximately $250 per customer. The Company solicits the contributions of our customers to these funds, and matches such contributions $1 for every $2 contributed up to predetermined amounts. It is of paramount importance to keep in mind that although these fuel funds constitute substantial support from the private sector, they can only augment, not supplant, LIHEAP assistance.

We would like also to point out that the Company has made other diligent efforts to help our customers. The Company has developed several liberal payment plans, a budget counseling program in coordination with an United Appeal agency, several counselors to assist customers in obtaining all available private and public assistance for which they are eligible, and a voluntary weatherization program for low-income customers which is coordinated with several community-based non-profit organizations. Under this voluntary weatherization program, in our Ohio service area alone, the Company weatherized 1,248 homes during 1988 and 1989.

Recommendations:

The Company recommends that LIHEAP be reauthorized at an adequate level for a four-year period. The first year should be reauthorized at a minimum of $2.3 billion, with subsequent annual increases to reflect the impact of inflation.

The Company also concurs in the recommendation of the American Gas Association that the LIHEAP funds be utilized more effectively by reducing or eliminating the amount of LIHEAP that can be transferred by the states to other programs, especially in view of the current inadequacy of LIHEAP funding.

NDSS

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# TESTIMONY SUBMITTED TO THE SUBCOMMITTEE ON LABOR-HHS-EDUCATION AND RELATED AGENCIES

## HOUSE OF REPRESENTATIVES
## COMMITTEE ON APPROPRIATIONS

BY
DONNA M. ROSENTHAL
EXECUTIVE DIRECTOR
NATIONAL DOWN SYNDROME SOCIETY

MARCH 28, 1990

On behalf of the National Down Syndrome Society, I would like to thank the Subcommittee for this opportunity to present testimony. The National Down Syndrome Society is a not-for-profit organization dedicated to discovering the causes and treatment of Down Syndrome and its related illnesses of Alzheimer's disease and childhood leukemia. This genetic disorder, which causes mental retardation, occurs in one out of every 800 births, and affects more than 250,000 people nationwide.

In the past ten years, the National Down Syndrome Society, with the guidance of a prestigious science advisory board chaired by Dr. Charles Epstein of the University of California at San Francisco, has sponsored science symposia to bring together internationally recognized scholars and scientists to thrust the research forward in the areas of molecular genetics, oncology, immunology and the psychobiology of Down Syndrome. The Society has also established a science scholar award program to support outstanding young scientists and to encourage them to make Down Syndrome research their life's work.

Down Syndrome is present when Chromosome 21 occurs in triplicate form. Moreover, the genes on the 21st chromosome cause many well known illnesses.

If we can discover and treat the causes of Down Syndrome, not only will this have an effect on the one in every 800 births which is a child with Down Syndrome, but it will also prevent the large number of miscarriages experienced by women of all ages that result from choromosomal disorders.

-more-

If we can discover and treat the causes of Alzheimer's disease which pathologically affects every person over age 35 with Down Syndrome, we will hopefully have the answers to the debilitating disease which also affects older adults in the general population.

If we can discover and treat the causes of childhood leukemia, it will affect both children with Down Syndrome who suffer at a rate four times the norm from this illness, and children in the population at large who are affected by this lethal cancer.

If we can discover and treat the causes of mental retardation, the impact will be felt not only on children with Down Syndrome, but on many other children born with related problems.

Chromosome 21 is the first chromosome to be mapped and is a prototype for the federally funded Human Genome Project. Moving gene by gene, researchers are unraveling the blueprint of Chromosome 21 which contains genetic information that will unlock the answers to Alzheimer's disease, childhood leukemia and mental retardation. At the same time researchers are searching for the basic answer to non-disjunction, or why there is an extra 21st chromosome which results in Down Syndrome.

The next phase will focus on the actual identification of each gene and its impact on these illnesses. The final phase will be the study of how to manipulate these genes so that the illnesses can be prevented or cured; and of course, how to prevent the occurrence of the extra chromosome. Once again, Chromosome 21 will be in the forefront and will be a prototype for research.

The Subcommittee is well aware of the budget pressures on the research activities of the National Institutes of Health. Many biomedical research projects must be limited as a result of the available funding. Researchers who do receive funding are subject to downward negotiations and other limitations that squeeze the research projects to their bare bones.

Our triumphs continue in spite of these limitations. However, it would be a travesty for all of that pioneering work to be slowed now, when progress on Chromosome 21 is leading the way for researchers in other areas.

The National Down Syndrome Society urges the Subcommittee to commit the resources necessary to continue the work on Down Syndrome and mental retardation by allocating research funds to the National Institute on Child Health and Human Development for next-step basic research on Chromosome 21. If the Subcommittee restores the budget reductions currently proposed, our hopes for progress in unlocking the genetic secrets that affect the lives of so many children will be closer to reality.

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**LEONARD M. BRITTON**
*Superintendent of Schools*

**JAMES FIGUEROA**
*Assistant Superintendent*
*Division of Adult*
*and Occupational Education*

**RUSSELL J. HING**
*Project Director*

Testimony Submitted to the Labor, Health and Human Services Appropriations Subcommittee, by Russell Hing, Project Director, Refugee Employment Training Project, Los Angeles Unified School District.

Subject: 1991 Refugee Resettlement Budget, Office of Resettlement Resettlement, Department of Health and Human Services

Honorable Members of the House of Representative's Labor, Health, and Human Services Appropriation Subcommittee:

First I want to thank this Committee for restoring the funding levels of the Refugee Targeted Assistance (RTA) and Refugee Employment Social Services (RESS) budgets for the last fiscal year of 1990, after the Administration had initially recommended a drastic cut of some 20%. Since refugee admissions were increasing by 37% at the time, it made sense when you at least funded the same amount as 1989.

Second, I want to express my support for this year's Administration 1991 budget recommendations for the amounts of $37 million and $70 million respectively for RTA and RESS, which are the same amounts as those finally funded for 1990. Although the continuing high number of incoming refugees clearly justify additonal funds for their resettlement, this recommended amount (considering the Federal Budget situation) will maintain a bare minimum program of employment directed services to help some refugees in their quest for a self-supporting life here.

However, I do want to point out the need for the Cash and Medical Assistance Budget to be increased to $275 million (the 1988 level) from the Administration's requested $201 million. Since 1986, this item has been continually cut, unfairly shifting the burden of this refugee resettlement cost to State and local governments. As our Country (including Citizens, Congress and President) deems it a worthy American cause to rescue refugees from persecution and death to bring them to a life of freedom, then we must follow through on our Federal responsibility to properly resettle them, which includes paying for their subsistence costs until they become self-supporting.

Last, I want to express support for distributing the entire RTA and RESS funding according to a standard formula. With the minimal amount of funding available, that formula should be based upon refugee need for social and employment directed services, ie. the relative percentage of newly arriving refugees on welfare living in a certain area or State compared to the total Nationwide. There should be no special projects funded off the top, but instead, States should fund such projects out of their own standard allocation. Also, because local communities are best positioned to determine local refugee needs and practical solutions, the Federal Office of Refugee Resettlement's discretionary and demonstration projects should be limited to 15% at most. In summary, the limited amount of RTA and RESS funding needs to be utilized in such a way to obtain maximum results among the greatest amount of refugees. It is by using a standard allocation formula, without special projects, that we can accomplish the most equitable and effective use of this limited funding.

Thank you for your consideration of this testimony. We in the refugee community appreciate your committment toward an adequately funded and equally distributed Refugee Resettlement Budget for 1991. It will enable our local communities to successfully provide refugees, our newest Americans, with the social and employment directed services that they need for self-sufficiency.

# TESTIMONY
OF
THE NATIONAL REHABILITATION CAUCUS
ON
FISCAL YEAR 1991 APPROPRIATIONS FOR
HEALTH PROFESSIONS TRAINING INITIATIVES
TITLE VII OF THE PUBLIC HEALTH SERVICE ACT
SUBMITTED TO THE
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES
AND EDUCATION
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
APRIL 30, 1990

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

THE NATIONAL REHABILITATION CAUCUS, A COALITION OF ORGANIZATIONS REPRESENTING HEALTH CARE CONSUMERS, HEALTH PROFESSIONALS, AND INSTITUTIONAL AND COMMUNITY-BASED SERVICE PROVIDERS APPRECIATES THE OPPORTUNITY TO PROVIDE TESTIMONY TO THE SUBCOMMITTEE ON APPROPRIATIONS FOR FISCAL YEAR 1991.

THE PURPOSE OF OUR TESTIMONY IS TO URGE THE SUBCOMMITTEE TO SUPPORT APPROPRIATIONS FOR THE FUNDING OF SEVERAL ALLIED HEALTH EDUCATION AND TRAINING INITIATIVES AUTHORIZED UNDER TITLE VII OF THE PUBLIC HEALTH SERVICE ACT. HEALTH CARE PROVIDERS THROUGHOUT THE COUNTRY CONTINUE TO FACE SEVERE SHORTAGES OF ALLIED HEALTH PROFESSIONALS. HOSPITALS, NURSING HOMES, HOME HEALTH AGENCIES, REHABILITATION FACILITIES, AND OTHER SERVICE PROVIDERS ARE UNABLE TO RECRUIT SUFFICIENT QUALIFIED PERSONNEL TO PROVIDE ESSENTIAL SERVICES. THIS MANPOWER DEFICIT IS PARTICULARLY ACUTE WITH RESPECT TO REHABILITIATION PROFESSIONALS SUCH AS OCCUPATIONAL THERAPISTS, PHYSICAL THERAPISTS, SPEECH-LANGUAGE PATHOLOGISTS AND OTHERS WHOSE SKILLS AND SERVICES ARE SO IMPORTANT IN THE PROVISION OF CARE OF THE ELDERLY, THE CHRONICALLY ILL, CHILDREN WITH DISABILITIES, AND OTHERS.

THESE PERSONNEL SHORTAGES RESULT FROM A COMBINATION OF FACTORS, INCLUDING A SURGE IN DEMAND FOR SERVICES FROM A POPULATION IN WHICH MORE INDIVIDUALS SURVIVE INTO OLD AGE, OFTEN WITH CHRONIC CONDITIONS OR MULTIPLE DISABILITIES. MEDICAL AND TECHNOLOGICAL ADVANCEMENTS HAVE ALSO INCREASED THE FREQUENCY OF SURVIVAL FROM ACCIDENTAL TRAUMA OR SEVERELY DISABLING CONDITIONS PRESENT AT BIRTH, HEIGHTENING THE DEMAND FOR REHABILITATION SERVICES WHICH ENHANCE FUNCTIONAL INDEPENDENCE AND QUALITY OF LIFE.

THE AMERICAN HOSPITAL ASSOCIATION'S MOST RECENTLY COMPLETED SURVEY OF 7,000 HOSPITALS SHOWED VACANCY RATES NATIONWIDE OF MORE THAN 16 PERCENT FOR PHYSICAL THERAPISTS AND 15 PERCENT FOR OCCUPATIONAL THERAPISTS, WITH STATE-SPECIFIC DATA INDICATING VACANCY RATES AMONG THERAPY PERSONNEL OF OVER 20 PERCENT IN KENTUCKY, 15 PERCENT IN MASSACHUSETTS, AND COMPARABLE AND GREATER VACANCY RATES PREVAIL IN OTHER STATES. IN RESPONSE TO THESE SHORTAGES, FACILITIES HAVE BEEN FORCED TO REDUCE SERVICES, CLOSE BEDS OR UNITS,AND DIVERT PATIENTS TO OTHER FACILITIES.

THE 1988 INSTITUTE OF MEDICINE (IOM) STUDY OF TEN ALLIED HEALTH PROFESSIONS ALSO DOCUMENTS THE CRITICAL NEED FOR ADDITIONAL MANPOWER AND NOTES THAT, ABSENT CONCERTED INTERVENTION TO TRAIN NEW PERSONNEL, THESE SHORTAGES WILL INTENSIFY FOR THE REMAINDER OF THIS CENTURY AND THROUGH THE YEAR 2020. IN PARTICULAR, THE IOM REPORT NOTED THAT THE MOST SERIOUS SHORTAGES

BY THE YEAR 2000 WOULD BE IN THE OCCUPATIONAL AND PHYSICAL THERAPY PROFESSIONS.

THE HEALTH CARE COMMUNITY IS AGGRESSIVELY PURSUING A VARIETY OF STRATEGIES TO MEET THIS PROBLEM. FACILITIES ARE EXPANDING THE USE OF OVERTIME AND CONTRACT SERVICES, AND MAKING INNOVATIVE CHANGES IN COMPENSATION PROGRAMS AND SCHEDULING. PROFESSIONAL ASSOCIATIONS ARE COMMITTING RESOURCES TO THE DEVELOPMENT AND EXPANSION OF EDUCATIONAL PROGRAMS AND ADDITIONAL FACULTY AND STUDENT RECRUITMENT. HOWEVER, ADDITIONAL INCENTIVES TO INCREASE THE SUPPLY AND DISTRIBUTION OF ALLIED HEALTH PROFESSIONALS ARE NECESSARY, AND FEDERAL SUPPORT FOR THESE EFFORTS IS ESSENTIAL. THE MOST CRITICAL IMMEDIATE NEED IS TO EXPAND PROGRAM AND FACULTY RESOURCES. EDUCATION PROGRAM SURVEYS CONDUCTED BY THE AMERICAN OCCUPATIONAL THERAPY ASSOCIATION AND THE AMERICAN PHYSICAL THERAPY ASSOCIATION CONFIRM THESE NEEDS. THE SINGLE MOST IMPORTANT FACTOR INHIBITING CAPACITY EXPANSION IDENTIFIED BY EDUCATION PROGRAM DIRECTORS IS THE AVAILABILITY AND RECRUITMENT OF QUALIFIED FACULTY MEMBERS.

FULL FUNDING OF THE ALLIED HEALTH EDUCATION AND TRAINING INITIATIVES AUTHORIZED UNDER TITLE VII IS CRITICALLY IMPORTANT TO THE OVERALL EFFORT TO ADDRESS THIS MANPOWER SHORTAGE. THE CAUCUS STRONGLY URGE THE SUBCOMMITTEE TO FUND THESE THREE INITIATIVES AT THE FOLLOWING LEVELS:

SECTION 796 ALLIED HEALTH PROJECT GRANTS AND CONTRACTS -- $2 MILLION TO FUND THE DEVELOPMENT AND EXPANSION OF ALLIED HEALTH EDUCATION PROGRAM AND FACULTY RESOURCES AND EXPAND STUDENT ENROLLMENTS IN THOSE PROFESSIONS IN GREATEST DEMAND.

SECTION 797 TRAINEESHIPS FOR THE ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL -- $2 MILLION TO ASSIST IN THE DEVELOPMENT AND EXPANSION OF DOCTORAL PROGRAMS AND TO PROVIDE FELLOWSHIPS TO INCREASE THE NUMBER OF QUALIFIED FACULTY IN PROFESSIONS EXPERIENCING SHORTAGES.

SECTION 751 LOAN REPAYMENT PROGRAM FOR ALLIED HEALTH PERSONNEL -- $2 MILLION TO ESTABLISH A LOAN REPAYMENT PROGRAM FOR ALLIED HEALTH PROFESSIONALS WHO AGREE TO SERVE FOR NOT LESS THAN TWO YEARS IN A RURAL OR OTHER UNDER-SERVED AREA.

MR. CHAIRMAN, THE SUBCOMMITTEE MEMBERS MIGHT BE INTERESTED TO KNOW THAT WHILE $750,000 WAS APPROPRIATED FOR THE SECTION 796 PROGRAM FOR FISCAL 1990, THE BUREAU OF HEALTH PROFESSIONS RECEIVED OVER 2,000 INQUIRIES AFTER AVAILABILITY OF THE FUNDS WAS PUBLISHED IN THE FEDERAL REGISTER AND ULTIMATELY RECEIVED OVER 122 GRANT PROPOSALS PRIOR TO THE APPLICATION DEADLINE. WE ALSO KNOW THAT MANY MORE EDUCATIONAL INSTITUTIONS WERE INTERESTED IN SUBMITTING PROPOSALS BUT WERE HAMPERED BY THE SHORT TIMEFRAME AVAILABLE IN WHICH TO PREPARE APPLICATIONS. WE BELIEVE THIS IS ADDITIONAL COMPELLING EVIDENCE THAT THE NEED IS VERY REAL, AND

THAT MORE FEDERAL LEADERSHIP IS REQUIRED TO MEET THIS CHALLENGE.

IN SUM, ALTHOUGH THE THREE TITLE VII INITIATIVES ARE MODEST WHEN MEASURED AGAINST THE ESCALATING DIMENSIONS OF THE PERSONNEL SHORTAGE, THEY DO REPRESENT AN IMPORTANT STEP TOWARD ADDRESSING THE PROBLEM AND ARE VITALLY IMPORTANT IF WE ARE TO MEET THE HEALTH CARE NEEDS OF THE ELDERLY AND DISABLED IN THE YEARS AHEAD.

AGAIN, MR. CHAIRMAN, ON BEHALF OF THE NATIONAL REHABILITATION CAUCUS, I THANK YOU FOR THIS OPPORTUNITY TO SHARE OUR VIEWS ON THIS IMPORTANT ISSUE.

TABLE B CONTINUED

1988 HUMAN RESOURCES SURVEY

ALL REGISTERED AND NON-REGISTERED HOSPITALS IN THE UNITED STATES

Occupational Therapists

| | Full-time Staff on Payroll | Part-time Staff on Payroll | Full-time Equivalent Staff on Payroll | Full-time Vacancies | Part-time Vacancies | Full-time Equivalent Vacancies | Full-time Equivalent Vacancy Rate | NUMBER OF HOSPITALS REPORTED |
|---|---|---|---|---|---|---|---|---|
| Alabama | 52 | 1 | 52.5 | 14 | 0 | 14.0 | 21.05% | 43 |
| Alaska | 4 | 1 | 4.5 | 1 | 1 | 1.5 | 25.00% | 12 |
| Arizona | 73 | 20 | 83.0 | 10 | 2 | 11.0 | 11.70% | 31 |
| Arkansas | 45 | 5 | 47.5 | 4 | 0 | 4.0 | 7.77% | 40 |
| California | 395 | 209 | 499.5 | 45 | 26 | 58.0 | 10.40% | 168 |
| Colorado | 80 | 28 | 94.0 | 8 | 7 | 11.5 | 10.90% | 39 |
| Connecticut | 79 | 14 | 86.0 | 15 | 2 | 16.0 | 15.69% | 26 |
| Delaware | 4 | 2 | 5.0 | 1 | 0 | 1.0 | 16.67% | 6 |
| District of Columbia | 66 | 11 | 71.5 | 28 | 0 | 28.0 | 28.14% | 9 |
| Florida | 182 | 23 | 193.5 | 30 | 3 | 31.5 | 14.00% | 81 |
| Georgia | 93 | 12 | 99.0 | 39 | 5 | 41.5 | 29.54% | 69 |
| Hawaii | 29 | 17 | 37.5 | 2 | 0 | 2.0 | 5.06% | 16 |
| Idaho | 13 | 5 | 15.5 | 0 | 0 | 0.0 | 0.00% | 25 |
| Illinois | 298 | 56 | 326.0 | 46 | 5 | 48.5 | 12.95% | 139 |
| Indiana | 107 | 26 | 120.0 | 16 | 1 | 16.5 | 12.09% | 58 |
| Iowa | 52 | 16 | 60.0 | 13 | 4 | 15.0 | 20.00% | 72 |
| Kansas | 55 | 20 | 65.0 | 8 | 1 | 8.5 | 11.56% | 69 |
| Kentucky | 22 | 1 | 22.5 | 6 | 2 | 7.0 | 23.73% | 61 |
| Louisiana | 74 | 7 | 77.5 | 12 | 0 | 12.0 | 13.41% | 48 |
| Maine | 29 | 13 | 35.5 | 6 | 2 | 7.0 | 16.47% | 25 |
| Maryland | 68 | 13 | 74.5 | 16 | 0 | 16.0 | 17.68% | 60 |
| Massachusetts | 218 | 31 | 233.5 | 38 | 5 | 40.5 | 14.78% | 68 |
| Michigan | 177 | 67 | 210.5 | 17 | 9 | 21.5 | 9.27% | 102 |
| Minnesota | 84 | 83 | 125.5 | 2 | 10 | 7.0 | 5.28% | 64 |
| Mississippi | 10 | 3 | 11.5 | 6 | 0 | 6.0 | 34.29% | 37 |
| Missouri | 131 | 30 | 146.0 | 17 | 8 | 21.0 | 12.57% | 73 |
| Montana | 7 | 3 | 8.5 | 1 | 0 | 1.0 | 10.53% | 13 |
| Nebraska | 6 | 3 | 7.5 | 1 | 0 | 1.0 | 11.76% | 46 |
| Nevada | 8 | 6 | 11.0 | 4 | 5 | 6.5 | 37.14% | 10 |
| New Hampshire | 23 | 11 | 28.5 | 5 | 3 | 6.5 | 18.57% | 16 |
| New Jersey | 173 | 42 | 194.0 | 66 | 14 | 73.0 | 27.34% | 63 |
| New Mexico | 32 | 10 | 37.0 | 5 | 1 | 5.5 | 12.94% | 24 |
| New York | 420 | 49 | 444.5 | 92 | 8 | 96.0 | 17.76% | 140 |
| North Carolina | 65 | 7 | 68.5 | 20 | 0 | 20.0 | 22.60% | 71 |
| North Dakota | 31 | 13 | 37.5 | 5 | 0 | 5.0 | 11.76% | 30 |
| Ohio | 253 | 70 | 288.0 | 41 | 8 | 45.0 | 13.51% | 103 |
| Oklahoma | 46 | 6 | 49.0 | 16 | 0 | 16.0 | 24.62% | 67 |
| Oregon | 80 | 47 | 103.5 | 6 | 3 | 7.5 | 6.76% | 38 |
| Pennsylvania | 353 | 45 | 375.5 | 47 | 6 | 50.0 | 11.75% | 159 |
| Rhode Island | 12 | 0 | 12.0 | 1 | 0 | 1.0 | 7.69% | 7 |
| South Carolina | 34 | 4 | 36.0 | 6 | 0 | 6.0 | 14.29% | 35 |
| South Dakota | 27 | 7 | 30.5 | 0 | 0 | 0.0 | 0.00% | 32 |
| Tennessee | 64 | 10 | 69.0 | 18 | 2 | 19.0 | 21.59% | 76 |
| Texas | 247 | 19 | 256.5 | 51 | 14 | 58.0 | 18.44% | 189 |
| Utah | 32 | 12 | 38.0 | 6 | 0 | 6.0 | 13.64% | 17 |
| Vermont | 12 | 4 | 14.0 | 3 | 2 | 4.0 | 22.22% | 8 |
| Virginia | 112 | 14 | 119.0 | 18 | 2 | 19.0 | 13.77% | 96 |
| Washington | 102 | 41 | 122.5 | 6 | 5 | 8.5 | 6.49% | 44 |
| West Virginia | 5 | 3 | 6.5 | 5 | 0 | 5.0 | 43.48% | 28 |
| Wisconsin | 188 | 76 | 226.0 | 10 | 5 | 12.5 | 5.24% | 68 |
| Wyoming | 16 | 1 | 16.5 | 2 | 2 | 3.0 | 15.38% | 15 |

APPENDIX B continued

1988 HUMAN RESOURCES SURVEY

ALL REGISTERED AND NON-REGISTERED HOSPITALS IN THE UNITED STATES

Physical Therapists

| | Full-time Staff on Payroll | Part-time Staff on Payroll | Full-time Equivalent Staff on Payroll | Full-time Vacancies | Part-time Vacancies | Full-time Equivalent Vacancies | Full-time Equivalent Vacancy Rate | NUMBER OF HOSPITALS REPORTED |
|---|---|---|---|---|---|---|---|---|
| Alabama | 66 | 11 | 71.5 | 11 | 1 | 11.5 | 13.86% | 37 |
| Alaska | 15 | 5 | 17.5 | 1 | 0 | 1.0 | 5.41% | 13 |
| Arizona | 132 | 30 | 147.0 | 19 | 4 | 21.0 | 12.50% | 32 |
| Arkansas | 74 | 16 | 82.0 | 15 | 1 | 15.5 | 15.90% | 48 |
| California | 668 | 350 | 843.0 | 132 | 50 | 157.0 | 15.70% | 166 |
| Colorado | 144 | 37 | 162.5 | 28 | 6 | 31.0 | 16.02% | 38 |
| Connecticut | 76 | 26 | 89.0 | 13 | 5 | 15.5 | 14.83% | 23 |
| Delaware | 18 | 4 | 20.0 | 1 | 0 | 1.0 | 4.76% | 5 |
| District of Columbia | 63 | 19 | 72.5 | 9 | 0 | 9.0 | 11.04% | 9 |
| Florida | 290 | 44 | 312.0 | 69 | 5 | 71.5 | 18.64% | 78 |
| Georgia | 169 | 33 | 185.5 | 36 | 8 | 40.0 | 17.74% | 70 |
| Hawaii | 54 | 12 | 60.0 | 12 | 5 | 14.5 | 19.46% | 16 |
| Idaho | 35 | 10 | 40.0 | 3 | 1 | 3.5 | 8.05% | 23 |
| Illinois | 431 | 112 | 487.0 | 107 | 4 | 109.0 | 18.29% | 140 |
| Indiana | 143 | 37 | 161.5 | 19 | 2 | 20.0 | 11.02% | 54 |
| Iowa | 144 | 30 | 159.0 | 24 | 4 | 26.0 | 14.05% | 74 |
| Kansas | 119 | 33 | 135.5 | 17 | 6 | 20.0 | 12.86% | 66 |
| Kentucky | 75 | 10 | 80.0 | 18 | 5 | 20.5 | 20.40% | 54 |
| Louisiana | 106 | 12 | 112.0 | 17 | 0 | 17.0 | 13.18% | 48 |
| Maine | 58 | 19 | 67.5 | 11 | 1 | 11.5 | 14.56% | 22 |
| Maryland | 151 | 39 | 170.5 | 35 | 12 | 41.0 | 19.39% | 61 |
| Massachusetts | 377 | 106 | 430.0 | 61 | 15 | 68.5 | 13.74% | 66 |
| Michigan | 265 | 94 | 312.0 | 65 | 6 | 68.0 | 17.89% | 100 |
| Minnesota | 150 | 68 | 184.0 | 14 | 4 | 16.0 | 8.00% | 60 |
| Mississippi | 58 | 12 | 64.0 | 16 | 2 | 17.0 | 20.99% | 38 |
| Missouri | 224 | 74 | 261.0 | 21 | 7 | 24.5 | 8.58% | 68 |
| Montana | 25 | 6 | 28.0 | 3 | 0 | 3.0 | 9.68% | 15 |
| Nebraska | 36 | 21 | 46.5 | 2 | 1 | 2.5 | 5.10% | 40 |
| Nevada | 14 | 6 | 17.0 | 10 | 7 | 13.5 | 44.26% | 10 |
| New Hampshire | 68 | 17 | 76.5 | 4 | 2 | 5.0 | 6.13% | 15 |
| New Jersey | 355 | 90 | 400.0 | 119 | 15 | 126.5 | 24.03% | 64 |
| New Mexico | 61 | 19 | 70.5 | 13 | 2 | 14.0 | 16.57% | 23 |
| New York | 616 | 116 | 674.0 | 136 | 16 | 144.0 | 17.60% | 137 |
| North Carolina | 152 | 18 | 161.0 | 37 | 3 | 38.5 | 19.30% | 68 |
| North Dakota | 60 | 27 | 73.5 | 7 | 1 | 7.5 | 9.26% | 30 |
| Ohio | 345 | 85 | 387.5 | 72 | 13 | 78.5 | 16.85% | 102 |
| Oklahoma | 100 | 35 | 117.5 | 19 | 1 | 19.5 | 14.23% | 46 |
| Oregon | 149 | 88 | 193.0 | 13 | 15 | 20.5 | 9.60% | 33 |
| Pennsylvania | 607 | 135 | 674.5 | 115 | 14 | 122.0 | 15.32% | 152 |
| Rhode Island | 16 | 1 | 16.5 | 0 | 0 | 0.0 | 0.00% | 6 |
| South Carolina | 64 | 16 | 72.0 | 10 | 1 | 10.5 | 12.73% | 33 |
| South Dakota | 46 | 14 | 53.0 | 9 | 2 | 10.0 | 15.87% | 31 |
| Tennessee | 170 | 26 | 183.0 | 42 | 2 | 43.0 | 19.03% | 75 |
| Texas | 429 | 93 | 475.5 | 97 | 16 | 105.0 | 18.09% | 185 |
| Utah | 48 | 29 | 62.5 | 7 | 1 | 7.5 | 10.71% | 17 |
| Vermont | 30 | 14 | 37.0 | 3 | 1 | 3.5 | 8.64% | 7 |
| Virginia | 217 | 59 | 246.5 | 46 | 6 | 49.0 | 16.58% | 58 |
| Washington | 195 | 106 | 248.0 | 19 | 10 | 24.0 | 8.82% | 43 |
| West Virginia | 34 | 7 | 37.5 | 10 | 3 | 11.5 | 23.47% | 25 |
| Wisconsin | 232 | 111 | 287.5 | 42 | 7 | 45.5 | 13.66% | 67 |
| Wyoming | 18 | 11 | 23.5 | 8 | 6 | 11.0 | 31.88% | 16 |

STATEMENT

RESPECTFULLY SUBMITTED TO

THE HOUSE APPROPRIATIONS SUBCOMMITTEE

FOR LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION

ON

FISCAL YEAR 1991 APPROPRIATIONS AFFECTING

INDIVIDUALS WITH DISABILITIES

BY

UNITED CEREBRAL PALSY ASSOCIATIONS, INC.
COMMUNITY SERVICES DIVISION
1522 K STREET, N.W. 1112
WASHINGTON, D.C. 20005

APRIL 23, 1990

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U.C.P.A. Governmental Activities Office Washington, D.C.

UCPA is a national network of 182 affiliates in 45 states advocating for and providing community services to persons with severe disabilities and their families to assure their increased independence, productivity and integration into the community. Collectively, UCPA spends over $300 million a year on a broad range of services for children and adults with severe disabilities. UCPA is concerned with all the issues identified by the Consortium of Citizens with Disabilities but has chosen to describe the five most important to persons with cerebral palsy.

**SUPPORTED EMPLOYMENT:** For the past four years, funding for Title VI of the Rehabilitation Act, P.L. 99-509, has enabled supported employment programs across the country to assist individuals with disabilities become part of the work force in diverse business and industry settings. One such individual is Charles Muluasi of New Jersey, a 43-year-old man with cerebral palsy who uses a powered wheelchair for mobility which he controls with two fingers on his right hand. Despite 5 years of volunteer work for Atlantic County Office for Aging and Disabled and the Kessler Memorial Hospital Pharmacy, Charles was never offered a paid position at either job. Furthermore, when Charles asked for a paid position at Kessler Memorial, the personnel manager felt he could not "handle" the demands of the job. Through the Division of Vocational Rehabilitation (DVR) and UCP/Atlantic and Cape May Inc.'s Supported Employment Program, however, a meeting was arranged to discuss work-site modifications necessary to employ Charles as a data entry clerk. UCP's rehabilitation technologist agreed to do the worksite modifications with the help of hospital staff. Charles DVR counselor approved the IBM computer, monitor and printer for his worksite. One of the unique aspects of Charles' approach to his job is that he inputs all data with his tongue, typing at a rate of 25 words per minute. Charles earns $6.50 an hour and receives full medical coverage and life insurance.

Since enactment of the 1986 amendments, the number of people in supported employment has increased dramatically. However, people with severe physical disabilities are significantly underrepresented in this program.

Indeed, recent data from the U.S. Department of Education indicated that only 0.6 percent of people in supported employment are individuals with cerebral palsy. The President's budget request will, at best, allow state agencies to continue to serve only a fraction of eligible individuals with severe disabilities. UCPA recommends $30.94 million for this important program in order to reduce dependency and increase economic productivity of citizens with severe disabilities.

**FAMILY SUPPORT:** A critical priority for persons with disabilities and their families is family support services, including respite care. Family support recognizes that families are the primary caregivers for their children with disabilities and that the government should support rather than supplant the family so that all children have to right to grow up at home. P.L. 100-401, the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act, is a vehicle for federal leadership to assist states to plan and develop a system of family support. A February, 1990 survey Family Support Services in the United States: An End of Decade Report compiled by Human Services Research Institute and funded by the Administration on Developmental Disabilities within the Department of HHS finds that no state has taken a comprehensive interagency approach to family support in an effort to maximize access to available resources. Although every state has concluded that family support is something that it should offer, most states remain undecided about the direction these efforts will take. Nationally, and in most states, the actual fiscal commitment to family support is less than 2% of the total budget allocated for developmental disabilities services; facility-based programs continue to absorb the bulk of the resources. Here is how two families in Alaska use respite as a family support service:

> Sharon Mattingly lives in Fairbanks with her husband and three children: Bart, 10; Whitney, 3; and Regan, 4. Bart is a child whose ability to learn is severely impaired and who is also hyperactive. He requires a very strict routine throughout the day, as well as constant supervision. Bart often uses "attention-getting behaviors, temper tantrums and outbursts, seeing how far he can go with you...." Bart had been to every day care and private child care program in the county without success. For the Mattingly's, the respite care program run by Fairbanks Rehabilitation Association is the only option. The family uses the

program while Sharon and her husband have some time together with other family members.

Jane White is the mother of three children, including a daughter, Jenny, age 11, with severe disabilities and whose behavior can be unpredictable and difficult. The Whites have used the respite care program to allow them the opportunity for vacations,"It gives us time to be a family in a more normal-type way. If we had Jenny with us, probably 50% of the time would be spent coping with Jenny.... It gives my other children a chance to see their parents in a normal relationship. The other kids in the family need the respite too...."

The President's request for level funding comes at a time when states, burdened by the "drug crisis," are being asked to serve more abandoned, neglected and abused children in community-based settings. The President's budget will produce incremental expansions of small pilot projects available to only a few areas of some states. UCPA recommends $20 million for FY1991--an amount consistent with the 1989 reauthorization level and an amount equal to less than 1 percent of the federal Medicaid matching funds ($3.38 billion) for public and private institutions (ICFs/MR).

**TECHNOLOGY-RELATED ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES:** When the New Jersey Rehabilitation Technology Resource Center (RTRC) opened its doors on February 1, 1989, it also opened up new horizons for thirteen-year-old twins, Matt and Jason Payton of Trenton, N.J. When Matt and Jason, who have cerebral palsy and use wheelchairs, toured the RTRC on its opening day, rehabilitation technologists and RTRC staff showed the boys a variety of ways that technology could enhance their lives and increase their independence. Jason tried out a powered wheelchair that also was equipped with environmental controls. Not only could Jason move about the Center more easily and comfortably, but he also delighted in his ability to turn on a TV and switch a light on and off without asking for help. Jason and Matt, already avid computer buffs, also experimented with a computer table that can be easily adjusted to fit the needs of the user simply by pushing a switch. As Matt exclaimed, "It seems like I have the whole world at my fingertips!" In the few months since the RTRC opened, 428 persons with disabilities and their families have visited the Center. The Center provides individuals with disabilities access to the type of technology that can enable them to lead more independent, productive lives.

The President has requested a $5 million increase for the Technology-Related Assistance for Individuals with Disabilities Act, $20 million for FY1991. This request would support approximately 25 Title I continuation grants, 10 new state grants, and technical assistance to states. States funded as of 5/1/90 are Arkansas, Alabama, Colorado, Iowa, Indiana, Illinois, Kentucky, Maine, Massachusetts, Minnesota, Maryland, Mississippi, Nebraska, Nevada, New Mexico, North Carolina, Oregon, Tennessee, Vermont, Virginia, Wisconsin, and Utah. The program, now in its third year, is intended to fund all remaining states. The President's request falls about 15 states short of this goal. In addition, the evaluation study must also be funded this fiscal year in order to meet the mandated deadline for the report to Congress. Title II programs on financing, personnel preparation and training, and public awareness would not be funded. Therefore, UCPA recommends $30 million for P.L. 100-407.

**EARLY INTERVENTION:** Amanda was born with severe disabilities including cerebral atrophy, seizure disorder, blindness with left glaucoma and hydronephrosis. A little more than a year ago, when she was 13 months old, Amanda was first enrolled in the early intervention program run by UCP of the Capital Area, in Camp Hill, Pennsylvania. At first, Amanda did not seem to do anything intentionally to control people or events -- what little she initiated seemed to be unrelated to things going on around her. Last year Amanda's parents and the staff saw no evidence of learning, nor did Amanda have any preferences or motivation to play. Amanda showed no progress when measured by traditional developmental checklists.

The early intervention staff and Amanda's parents were unsure about Amanda's future but were in agreement on at least three things: They all wanted her to be able to be productive, to control her world, and be happy. They agreed that technology would help.

After 5 months trial and error with different devices to control her environment and introduction to adapted toys, the real Amanda was liberated.

Today, Amanda is 2 1/2 years old. She plays happily with her mom with a five-plate busy-box. Activating each of five switches produces a different consequence including a radio tuned to her favorite station. Besides making choices among the switches, Amanda actively engages in play and simply has fun. Early intervention with the assistance of technology will enable Amanda to enter preschool at the appropriate time.

The Administration's FY1991 budget request provides a 4% increase over FY1990 to $82.7 million for Part H of EHA (P.L. 99-457). While the President recognizes the importance of early intervention as indicated by his sizeable increase for the Head Start program ($500 million), the Administration fails to see its importance for children with disabilities. UCPA recommends $160 million for FY1991 in order to ensure the necessary fiscal incentives for all 50 states to pursue full implementation of this important cost-effective program.

**ALLIED HEALTH SHORTAGES** The Omnibus Health Programs and Extension Act of 1988 (P.L. 100-607) provides for advanced training of allied health personnel. The education system for rehabilitation professionals has not been able to meet the demand for core rehabilitation therapists. The demand will reach crisis proportion next year (school year 1991-92) when states must serve all eligible children with disabilities as mandated in P.L. 99-457. A 1988 study by the Institute of Medicine projects that by the year 2000, "the demand for physical therapists will increase by 87 percent... occupational therapists by 52 percent." The report declares that unless policymakers intervene, the health care industry will suffer from a "serious shortage of allied health professionals." Our national UCPA office frequently hears from our affiliates and other providers requesting help in this area. Current levels are not meeting the present demands, and services to persons with disabilities are compromised. UCPA recommends full funding of this essential program.

Thank you for the opportunity to present information on behalf of individuals with disabilities and their families.

TESTIMONY BY

SAMUEL J. SIMMONS
PRESIDENT
NATIONAL CAUCUS AND CENTER ON BLACK AGED, INC.

ON

FUNDING FOR OLDER AMERICANS ACT PROGRAMS

BEFORE THE

SUBCOMMITTEE ON LABOR-HHS-EDUCATION
HOUSE COMMITTEE ON APPROPRIATIONS

APRIL 24, 1990

Mr. Chairman and Members of the Subcommittee, the National Caucus and Center on Black Aged, Inc. welcomes the opportunity to testify at this hearing on the Fiscal Year (FY) 1991 Labor-HHS-Education Appropriations Act.

We recognize that your time is limited. Consequently, we shall keep our remarks brief.

NCBA's testimony will concentrate on issues affecting elderly Blacks and other low-income older minorities.

## A. Senior Community Service Employment Program

Our number one priority for the appropriations bill is to assure that no Title V Senior Community Service Employment Program (SCSEP) enrollee loses his or her job because of the recently enacted increase in the federal minimum wage. NCBA strongly supported this legislation because the federal hourly minimum wage was last adjusted in 1981. Quite clearly, inflation had seriously eroded the purchasing power of the federal minimum wage. A higher and more humane minimum wage will certainly provide incentives for persons to leave the welfare rolls and to become employed.

The need to maintain current enrollment is a crucial issue for aged minorities because nearly 37 percent of all Title V enrollees during the 1988-89 program year were members of minority groups. More than 23 percent of all SCSEP participants were aged Blacks.

The Administration's FY 1991 request for the SCSEP -- calling for a $14,199,000 - reduction when compared with the FY 1990 appropriation ($357,013,000) -- should be rejected out of hand. It simply ignores reality and the effect of the minimum wage hike. The Administration's proposal will have a particularly harsh impact for Title V enrollees, especially low-income aged minorities. The FY 1991 request would cause approximately 9,200 SCSEP positions to be terminated, when compared with current enrollment. We ask unanimous consent that a table showing the effect on a state-by-state basis be included in the hearing record.

Title V is now operating with 65,800 authorized positions. The Administration estimates that its budget proposal would reduce that figure by about 14 percent, from 65,800 for the 1989-90 program year to 56,200 for the 1991-92 program year.

NCBA believes that there are clearly better ways to achieve savings for the federal budget than to make low-income seniors -- many of whom are disadvantaged aged minorities -- shoulder the burden by losing their community service jobs. Even if it can be argued that the Administration's proposal will save money, it represents false economy. This is because the loss of Title V positions will increase other costs, since many SCSEP enrollees will be moved off payrolls on to welfare rolls. Additional costs for Supplemental Security Income (SSI), Medicaid, and Food Stamps will largely offset, and conceivably exceed, any perceived savings that the Administration projects by cutting back Title V enrollment.

NCBA recommends that the Subcommittee approve a funding level to maintain current enrollment for the SCSEP. Our proposal, we want to stress as strongly as possible, would simply maintain the program at its current level to assure that the poverty rolls for senior citizens will not grow any larger.

NCBA urges a $412,000,000 appropriation for the SCSEP, which would include the following key components. First, $13,000,000 would be used for the period October 1, 1990 to June 30, 1991. This would be in addition to the $10,000,000 funding level approved by the Senate Appropriations Committee for the SCSEP under the FY 1990 Dire Emergency Supplemental Appropriations Act, H.R. 4404. This funding ($10,000,000) would be available from July 1, 1990 to June 30, 1991. NCBA sincerely hopes that the $10,000,000 will be retained when the House and Senate conferees complete action on H.R. 4044. These two amounts -- the proposed $13,000,000 and the $10,000,000 currently in H.R. 4044, as reported out by the Senate Appropriations Committee -- would yield $23,000,000 and would enable the SCSEP to continue to operate with 65,800 positions for the period July 1, 1990 to June 30, 1991.

Second, $399,000,000 would be available from July 1, 1991 to June 30, 1992. This appropriation would protect low-income SCSEP enrollees from losing their jobs during the period July 1, 1991 to June 30, 1992 because of the two-step increase in the federal hourly minimum wage.

Title V participants are among the most disadvantaged persons in our entire society in terms of economic status, educational attainment, and other indices:

- **Eighty percent of Title V enrollees have incomes below the bare bones poverty line. The remaining 20 percent have incomes within 25 percent of the poverty threshold.**
- **Thirty-seven percent of all SCSEP participants are members of minority groups.**
- **Forty-nine percent of the enrollees have less than a high school education.**
- **Twenty-eight percent of the participants are 70 years of age or older.**

- **Seventy percent of the enrollees are women.**

Throughout its history, the SCSEP has received strong bipartisan support from the Congress because it has been an extraordinarily effective program. Title V has enabled low-income older Americans to improve their economic well-being while delivering essential and beneficial services in their communities. The program has not been marred by rampant fraud and abuse. Its administrative costs are low. Title V has been effective in moving older Americans into private sector employment. The net impact is that the SCSEP has taken some of the most economically deprived older Americans in our society and provided them with a new lease on life.

For these reasons, we reaffirm that a $416-million appropriation be approved to maintain Title V enrollment at 65,800 positions, the same number that currently exists.

### B. Title IV Training, Research, and Demonstrations

NCBA further urges that funding for the Older Americans Act Title IV Training, Research, and Demonstration program be increased from $25,332,000 in FY 1990 to $30,000,000 in FY 1991. This would help to restore partially the sizeable cuts that were adopted for Title IV during the early 1980's. NCBA urges that the Subcommittee approve report language to call upon the Administration on Aging (AoA) to provide additional funds for (1) projects to promote minority participation in Older Americans Act programs and (2) gerontological activities undertaken by historical Black colleges and universities.

Title IV is an integral part of the Older Americans Act. It helps to complement Title III Supportive and Nutritional Services. Title IV has been a catalyst for developing innovative programs and activities, including the nutrition program for the elderly, Foster

Grandparents, Retired Senior Volunteer Program (RSVP), improved delivery systems for legal services and educational television for older Americans.

Moreover, the new Commissioner on Aging, Dr. Joyce Berry, and her very capable Associate Commissioner for Program Development, Frank Ollivierre, have developed an agenda to serve elderly minorities more equitably and effectively under the Older Americans Act. Title IV will play a crucial role in implementing that strategy. The success of Commissioner Berry's plans will depend, to a very important degree, upon the adequacy of the appropriations provided for activities, such as Title IV. We, therefore, recommend a $30-million appropriation for Title IV.

### C. Title III Supportive and Nutrition Services

NCBA recommends that funding for Title III Supportive and Nutrition Services be maintained, at a minimum, at the FY 1990 levels and preferably at a higher level if budget conditions permit. Congress appropriated the following amounts for Title III activities for FY 1990: (1) Supportive Services and Senior Centers, $271,986,000; Congregate Meals, $351,925,000; Home-Delivered Meals, $78,981,000; In-Home Services for the Frail Elderly, $5,756,000; and Ombudsman Activities, $975,000.

These programs are the life blood of the Older Americans Act because they provide services to enable elderly persons to live independently in their homes and to overcome a wide variety of barriers. These services can also be very cost effective by enabling older Americans to maintain their independence, rather than be unnecessarily or prematurely institutionalized at a much higher public cost.

**D. Outreach**

The additional appropriation proposed to cover the minimum wage increase for the SCSEP plus the higher amounts for other Older Americans Act programs would make it possible to trigger the mechanism to fund outreach activities for SSI, Medicaid, and Food Stamps. Many older Blacks and other low-income older Americans do not participate in these programs, even though they may be eligible. Some elderly persons are unaware of these benefits. Others mistakenly believe that they do not qualify.

The evidence is very clear that a substantial number of low-income elderly persons do not participate in "safety net" programs, such as SSI. In 1986, there were 3,477,000 individuals 65 or older who were poor, but only 2,016,000 received SSI -- just 58 percent of all older Americans living in poverty at that time. A report by the Villers Foundation --- entitled "On the Other Side of Easy Street" -- noted that just 36 percent of the noninstitutionalized aged poor have Medicaid coverage. Moreover, only 29 percent of older poor households received food stamps in 1984.

These statistics underscore the importance of outreach to assure that all eligible elderly individuals living in poverty receive all lawful benefits to which they are entitled. NCBA urges the Subcommittee to fund outreach activities under the Older Americans Act at $5,000,000 to achieve this objective.

## E. Conclusion

In conclusion, NCBA wishes to commend the Subcommittee for its support of programs to improve the quality of life for elderly Blacks and other low-income older Americans. We hope to have your continued support for the recommendations that we urge for FY 1991. We believe that they are reasonable and legislatively feasible -- especially since the threat of worldwide Communism has greatly diminished. We, therefore, reaffirm our support for these measures and urge that they be adopted.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

| UNIT COST | 5225 | | 5652 | | DECREASE FROM |
|---|---|---|---|---|---|
| SEP STATES | 1989 ACTUAL | | 1990 ESTIMATE | | 1989 TO 1990 |
| | FUNDING | SLOTS | FUNDING | SLOTS | |
| ALABAMA | 6370000 | 1219 | 6573000 | 1163 | 56 |
| ALASKA | 1486000 | 284 | 1534000 | 271 | 13 |
| ARIZONA | 3998000 | 765 | 4191000 | 742 | 24 |
| ARKANSAS | 6130000 | 1173 | 6425000 | 1137 | 36 |
| CALIFORNIA | 27236000 | 5213 | 28531000 | 5048 | 165 |
| COLORADO | 3289000 | 629 | 3422000 | 605 | 24 |
| CONNECTICUT | 3816000 | 730 | 3977000 | 704 | 27 |
| DELAWARE | 1486000 | 284 | 1534000 | 271 | 13 |
| D OF C | 1925000 | 368 | 2009000 | 355 | 13 |
| FLORIDA | 19316000 | 3697 | 20078000 | 3552 | 144 |
| GEORGIA | 7343000 | 1405 | 7631000 | 1350 | 55 |
| HAWAII | 1486000 | 284 | 1534000 | 271 | 13 |
| IDAHO | 1606000 | 307 | 1664000 | 294 | 13 |
| ILLINOIS | 13799000 | 2641 | 14231000 | 2518 | 123 |
| INDIANA | 8944000 | 1712 | 9285000 | 1643 | 69 |
| IOWA | 4446000 | 851 | 4652000 | 823 | 28 |
| KANSAS | 3530000 | 676 | 3684000 | 652 | 24 |
| KENTUCKY | 6476000 | 1239 | 6733000 | 1191 | 48 |
| LOUISIANA | 5992000 | 1147 | 6120000 | 1083 | 64 |
| MAINE | 2078000 | 398 | 2158000 | 382 | 16 |

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

| UNIT COST | 5225 | | 5652 | | DECREASE FROM |
|---|---|---|---|---|---|
| SEP STATES | 1989 ACTUAL | | 1990 ESTIMATE | | 1989 TO 1990 |
| | FUNDING | SLOTS | FUNDING | SLOTS | |
| MARYLAND | 4535000 | 868 | 4689000 | 830 | 38 |
| MASSACHUSETTS | 7485000 | 1433 | 7736000 | 1369 | 64 |
| MICHIGAN | 11323000 | 2167 | 11653000 | 2062 | 105 |
| MINNESOTA | 7891000 | 1510 | 8345000 | 1476 | 34 |
| MISSISSIPPI | 4315000 | 826 | 4442000 | 786 | 40 |
| MISSOURI | 8421000 | 1612 | 8800000 | 1557 | 55 |
| MONTANA | 2077000 | 398 | 2172000 | 384 | 13 |
| NEBRASKA | 2649000 | 507 | 2782000 | 492 | 15 |
| NEVADA | 1607000 | 308 | 1664000 | 294 | 13 |
| NEW HAMPSHIRE | 1544000 | 296 | 1596000 | 282 | 13 |
| NEW JERSEY | 9709000 | 1858 | 10144000 | 1795 | 63 |
| NEW MEXICO | 1810000 | 346 | 1879000 | 332 | 14 |
| NEW YORK | 23347000 | 4468 | 24169000 | 4276 | 192 |
| NORTH CAROLINA | 8802000 | 1685 | 9103000 | 1611 | 74 |
| NORTH DAKOTA | 2004000 | 384 | 2093000 | 370 | 13 |
| OHIO | 15178000 | 2905 | 15731000 | 2783 | 122 |
| OKLAHOMA | 5419000 | 1037 | 5606000 | 992 | 45 |
| OREGON | 4786000 | 916 | 5011000 | 887 | 29 |
| PENNSYLVANIA | 19093000 | 3654 | 19748000 | 3494 | 160 |
| PUERTO RICO | 4124000 | 789 | 4237000 | 750 | 40 |
| RHODE ISLAND | 1789000 | 342 | 1862000 | 329 | 13 |
| SOUTH CAROLINA | 4502000 | 862 | 4655000 | 824 | 38 |

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

| UNIT COST | 5225 | | 5652 | | DECREASE FROM |
|---|---|---|---|---|---|
| SEP STATES | - 1989 ACTUAL - | | 1990 ESTIMATE | | 1989 TO 1990 |
| | FUNDING | SLOTS | FUNDING | SLOTS | |
| SOUTH DAKOTA | 2296000 | 439 | 2410000 | 426 | 13 |
| TENNESSEE | 7045000 | 1348 | 7260000 | 1285 | 64 |
| TEXAS | 18532000 | 3547 | 19230000 | 3402 | 144 |
| UTAH | 2116000 | 405 | 2204000 | 390 | 15 |
| VERMONT | 1842000 | 353 | 1918000 | 339 | 13 |
| VIRGINIA | 7049000 | 1349 | 7350000 | 1300 | 49 |
| WASHINGTON | 4900000 | 938 | 5097000 | 902 | 36 |
| WEST VIRGINIA | 3882000 | 743 | 4021000 | 711 | 32 |
| WISCONSIN | 8606000 | 1647 | 9035000 | 1599 | 49 |
| WYOMING | 1607000 | 308 | 1664000 | 294 | 13 |
| SAMOA | 746000 | 143 | 770000 | 136 | 7 |
| GUAM | 746000 | 143 | 770000 | 136 | 7 |
| MARSHALL ISL. | 32000 | 6 | 0 | 0 | 6 |
| MICRONESIA | 85000 | 16 | 0 | 0 | 16 |
| N. MARIANAS | 354000 | 68 | 346000 | 61 | 7 |
| PALAU | 78000 | 15 | 85000 | 15 | 0 |
| VIRGIN ISL. | 746000 | 143 | 770000 | 136 | 7 |
| TOTAL | 343824000 | 65804 | 357013000 | 63166 | 2638 |

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Mr. Bertram R. Zweig
*Finley, Kumble & Wagner, Attys.*

April 11, 1990

Honorable William H. Natcher
House of Representatives
Chairman
Subcommittee on Labor, Health, and Education
House Office Building
Washington, D.C. 20515-6024

Dear Congressman Natcher:

I would like to make an appearance of behalf of the millions of people who have vision loss from degenerative eye diseases which are so significant that they have extraordinary difficulty in reading. They are the "silent blind". These people include children, adults, and seniors, and yet the research that could have a tremendous impact on the damage which these diseases cause is handicapped by lack of funding from the National Eye Institute and public and private funding.

The purpose of this meeting would be to discuss how education and human services programs can be enhanced as well as the Retina Tissue Transplant Research Program, which could reverse degenerative eye diseases if, and only if, funding becomes available.

These diseases are degenerative eye diseases, specifically RP (Retinitis Pigmentosa), Macular Degeneration, and Usher's Syndrome, which is a legal blindness that includes a significant hearing impairment, often deafness and eventual blindness from RP (Retinitis Pigmentosa).

There is no school test for RP since peripheral field testing is not done routinely. Public school eye testing is inadequate for children with RP, and many children are in schools with 20-20 vision, but are legally blind. Often a confused youngster adjusts to lipreading and sign language, and then in the early teens, the diagnosis of Retinitis Pigmentosa is made.

RP
Research · RETINITIS · INTERNATIONAL · PIGMENTOSA · Service
*"Fighting Blindness"*
P.O. Box 900, Woodland Hills, CA 91365 – 1 (800) FIGHT RP

Sometimes the diagnosis is not made until much later in life such as in the case of Joe Smith, a San Franciscan who is deaf and had several automobile accidents. Tested by a technician in a shopping mall in San Francisco, he was told that he had Retinitis Pigmentosa. "What is Retinitis Pigmentosa?" he asked. She said " You are going blind." He went to Stanford University for an eye exam, where he was told that the problem was all in his mind. He was told to tell the technician in the mall that she was wrong, so he went back to tell her that. She stood firm, and told him that he did test positive through the computer for RP and when he was retested at Stanford University, it was found that he has another devastating form of RP, called Usher's Syndrome, which is RP accompanied by a hearing loss. He is 27 years old and has a wife and 2 children.

In the past 17 years I have found that the RP gene is carried by 1 in 80 people, and that 10 million people have Macular Degeneration, and that there are close to 3 million people with RP-many of them undiagnosed.

I would like to come before the Congress to explain the need for more research funding, and for better testing on eye diseases in our public schools. For the need to educate our pediatricians and ophthalmologists and educators. Many celebrities have supported my efforts over the years, and would be happy to accompany me.

I'm enclosing some literature on RP International's endeavor to end blindness including a song that was recently recorded by Bob Hope, Dionne Warwick, Patti LaBelle, Smokey Robinson, Mel Torme, Jack Jones, Sammy Davis Jr., Marilyn McCoo, Billy Davis, Steve Allen, The International Children's Choir, and George Burns, just to name a few. We have been working for 17 years to find answers to the problems of degenerative eye diseases. We have established human service programs, referrals, and offer a beacon of hope to people who have been walking toward blindness with nowhere to go for assistance. Our 1-800-FIGHT RP number is available free of charge to anyone who is facing the loss of sight, or anyone who has already lost it. We try to encourage with hope and reality.

Recently President Bush recognized our efforts at the White House on February 1st and received a copy of "Forgotten Eyes", the first song ever to bring recognition to eye diseases that have apparently become "acceptable" in our country. While AIDS, the homeless, and other situations continue to become the "Diseases of the Week", blindness has been around for hundreds of years.

This type of blindness has a great chance of being cured if funds are placed immediately into transplant research. I have the support of 4 researchers from major universities who firmly stand behind me regarding this issue.

I expect to hear from you with a date for an appearance. In the meantime, I have enclosed a few materials which give you some background on our organization which include a copy of the song recorded by our celebrity supporters and other pertinent materials regarding the research issue.

Sincerely,

Helen Harris
President and Founder
RP International

P.S. I will be part of the Washington Awards Dinner on July 30, 1990 and it would be a very opportune time for me to make the presentation at that time since we will be in Washington. However, if this can be done sooner, I would be grateful.

CC: President George Bush

Enclosed: Press kit, video and audio cassettes.

rpa
Renal Physicians Association

STATEMENT OF THE

RENAL PHYSICIANS ASSOCIATION

BEFORE

APPROPRIATIONS SUBCOMMITTEE ON LABOR, HHS

EDUCATION, AND RELATED AGENCIES

UNITED STATES HOUSE OF REPRESENTATIVES

CONCERNING

FISCAL YEAR 91 APPROPRIATIONS FOR

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

We are pleased to have this opportunity to express our support for increased funding for biomedical research through the National Institutes of Health, (NIH) and the National Institute of Diabetes, Digestive, and Kidney Diseases (NIDDKD). The Renal Physicians Association, (RPA) is a professional organization of nephrologists whose goals are to insure optimal care under the highest standards of medical practice for patients with renal disease and related disorders, to act as a national representative for physicians engaged in the study and management of patients with renal disease and related disorders, and to serve as a major resource for the development of national health policy concerning renal disease.

RPA joins with approximately two hundred other professional and voluntary health organizations in support of funding of $9.2 billion for NIH in fiscal year 1991. The Administration's budget request of $7.9 billion does not provide sufficient funds to meet scientific opportunities currently available: While NIH projects that a 5.9 percent increase in funding would be needed just to maintain our current level of effort, the Administration's proposal (representing only a 4.7 percent increase) falls short of even that mark by nearly $400 million. Funding of $9.2 billion for NIH in fy 91 would allow approximately 30 percent of approved competing research grants to be funded, NIH-wide. Most importantly, it would restore full funding for research project grants and centers, which have been subjected to significant "built-in" cuts in their dollar levels over the last several years, resulting in an inability to properly conduct research.

RPA also advocates an increase in funding for the national Institute of Diabetes and Digestive and Kidney Diseases to at least $736 million in fy 91. Components of this request include the following:

- An additional $5 million to expand the number of Career Development Awards and to adjust the stipend level in each year of training.
- An additional $8 million to increase the funding level of FIRST Awards ensuring sufficient funds to develop independent investigators.
- Additional funds to increase the funding level for R01's to at least the 30th percentile in fy 91.
- An additional $500,000 to increase the number and the stipend levels of Senior Fellowship Awards.
- Additional funding to add additional training positions for pediatric nephrology research to the existing pool of adult and pediatric Institutional Training Grants in fy 91, and for each of the next 5 years.
- An additional $210,000 to add six additional Individual Research Fellowships in pediatric nephrology and pediatric urology.
- Funding to support the issuance of RFA's in special areas of concern requiring further basic and/or clinical research.
- Increased funding to enable the Kidney and Urology program to expand studies on the effects of diabetes on the kidney and on the role of hypertension and its regulation in the progression of diabetic renal disease.

- **Additional funding to increase the number of George M. O'Brien Kidney and Urological Research Centers in fy 91.**

- **An additional $20 million to support additional clinical trials and clinical research in nephrology.**

**These elements are consistent with the recommendations of the National Kidney and Urologic Diseases Advisory Board in its 1990 Long Range Plan, which was recently presented to the Secretary, HHS and to Congress.**

## Kidney Disease Research

Kidney diseases and disorders are among the nation's most critical public health problems. The Federal Government now spends over $3 billion each year on treating end-stage renal disease, including costs of maintenance dialysis in a growing population exceeding 150,000 patients. High priority areas of research to combat kidney disease include: studies of the effects of hormones and diuretics on metabolism of the kidney; the effects of drugs and toxins; the immune system's role in the development of immune renal injury; mechanisms leading to chronic renal disease, including kidney disease of diabetes mellitus and polycystic kidney disease; and therapeutic interventions for end-stage renal disease.

A major research initiative of the Institute is in kidney disease of diabetes mellitus (KDDM), which is the leading cause of end-stage renal disease (ESRD) in the United States. Diabetic patients account for an increasing share of the total ESRD population. The number of patients with end-stage renal disease due to KDDM has risen steadily over the last decade to nearly 30 percent of new patients entering the ESRD Medicare

Program. The 5-year survival of patients with KDDM who are receiving dialysis is less than one-half that of dialysis patients without diabetes mellitus. More reliable measurements of kidney function must be developed for clinical assessment of KDDM patients. Without such methods, long-term studies of treatment alternatives and epidemiologic factors cannot be carried out effectively. Last year, the appropriations committees targeted funding for KDDM. RPA strongly supports continued emphasis on improving methods of kidney function assessment in connection with the KDDM initiative.

## U.S. Renal Data System

In 1988, the NIDDK established the United States Renal Data System (USRDS) as part of an interagency agreement with the Health Care Financing Administration. The goals of this newly-established data system are: to create a consolidated renal disease data system to describe and analyze trends; to report regularly on incidence, prevalence, and mortality; to identify modalities of treatment best suited to various types of patients; and to undertake focused investigations of issues currently unaddressed. RPA has been integrally involved in efforts to ensure that the registry functions so that scientific information (supported by the NIDDK) and data from cost studies and quality assessment issues (supported by HCFA) are fully integrated. Only in this way will we be able to generate complete analyses which are needed as we work to improve management and quality of ESRD treatment programs. To this end, RPA supports efforts to see that the recently-chartered ESRD Data advisory committee is set to begin substantive action in a timely manner.

## Conclusion

In the current fiscal year the NIDDKD will be able to support only about 22% of approved research grants. Given the enormous opportunities available in kidney disease research and the high economic toll kidney disease takes on our national economy, we believe that this situation must be addressed. The long range plan of the National Kidney and Urologic Diseases Advisory Board recognizes the large body of basic science information which is available for application to kidney diseases if sufficient financial resources are made available. We urge the committee to take all reasonable efforts to provide an increase over the President's request for biomedical research and specifically for the NIDDKD. RPA would be happy to provide you with more specific information relating to kidney disease research and research funding matters.

M-ALS-2104

rpa
Renal Physicians Association

# TESTIMONY OF EMIL PAGANINI, M.D.

ON BEHALF OF

RENAL PHYSICIANS ASSOCIATION

BEFORE

APPROPRIATIONS SUBCOMMITTEE ON LABOR, HHS
EDUCATION, AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES

CONCERNING

FISCAL YEAR 91 APPROPRIATIONS FOR
THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH

The Renal Physicians Association, (RPA), is a professional organization of nephrologists whose goals are to insure optimal care under the highest standards of medical practice for patients with renal disease and related disorders, to act as a national representative for physicians engaged in the study and management of patients with renal disease and related disorders, and to serve as a major resource for the development of national health policy concerning renal disease. We are pleased to have the opportunity to provide the subcommittee with our testimony concerning fiscal year 1991 funding for the newly established Agency for Health Care Policy and Research, (AHCPR).

The Agency was established under the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), to "enhance the quality, appropriateness, and effectiveness of health care services, and access to such services, through the establishment of a broad base of scientific research and through the promotion of improvements in clinical practice and in the organization, financing, and delivery of health care services".

Beginning prior to the establishment of the Agency, (when such activities were conducted through its predecessor organization, (the National Center for Health Services Research), the RPA has assumed a strong stance in support of increased attention to, and funding for, health science research. Health Science research (or "medical care research") represents research on the organization and delivery of medical care, including clinical practice. Specific types of activities include clinical decision-making, (including research on development of clinical strategies and clinical reasoning), health services research, (for example studies in clinical epidemiology, research relating to ethics of practice), and medical education research.

With the creation of the new Agency, RPA sees positive steps being taken to expand the prior level of federal commitment to health services research (as of FY 90, there were only about 2000 professionals working in health services research, and only 40 university-based centers or institutes). We see as critical the continuation of this trend to increase emphasis on health services research. The Administration-proposed budget for the AHCPR for FY 91 is just over $110 million in total obligations, an 11.5 percent increase over current fiscal year obligations. Of this amount, the appropriation from general funds of the treasury is just over $39 million, with the remainder of the amount coming from the medicare trust funds, and funds transferred from elsewhere within the Public Health Service.

The Physician Payment Review Commission (PPRC) has recommended that several hundred million dollars per year be provided for clinical effectiveness research and technology assessment; and that tens of million of dollars should support the development, dissemination, evaluation of practice guidelines, and medical review criteria. The Administration's budget proposal for AHPC&R obviously falls short of this recommendation, but does represent a step in the right direction.

The costs associated with treatment of renal disease alone are staggering: Medicare expenditures for 160,000 end stage renal disease patients in 1987 were $3.4 billion, and as our population expands (including a projected increase in those aged 65 and older and in minority groups) we can expect annual costs to escalate further. Recognition of this situation has brought us to the realization that health services/outcomes assessment studies are indisputably necessary if we are to come to appropriate conclusions about optimal care and achieve necessary health care cost containment.

$49 million of the budget request for AHCP&R is for the medical treatment effectiveness program, representing a 29 percent increase over the current fiscal year level. Two-thirds of the amount comes from the medicare trust funds, as stipulated under the Social Security Act. The portion of the request appropriated from general funds of the treasury (one-third of the request) is about $14 million.

The medical treatment effectiveness program supports the development of scientific knowledge about patient outcomes through the following activities:

- developing of methodologies to support outcomes research,
- developing and augmenting databases on outcomes
- supporting and conducting outcomes research
- disseminating information derived through such research
- providing periodic review and updating of clinically relevant guidelines, standards performance measures and review criteria.

The RPA strongly supports this program which will provide information to both patients and practitioners which is needed as we work to improve health care delivery and to optimize utilization of scarce resources. RPA would like to see additional monies from the general fund appropriated to the Agency for medical effectiveness programs, based on the importance of such programs to our efforts at the national level to improve the quality and appropriateness of health care services, and access to care. Variations in services and resources have been demonstrated for many medical conditions. Adequate funding is essential so that the relationships between such variations and patient outcomes can be examined. In addition, we believe that additional funding should be directed toward developing more sophisticated methods for assessing health care outcomes and for improving clinical decision-making.

Under its authorizing legislation, the Agency's Administrator must ensure development of practice guidelines for at least three clinical treatments or conditions accounting for a large portion of medicare expenditures and having significant variations in frequency or type of treatment provided. RPA supports the research activities of the AHCP&R and the development of practice guidelines by panels convened under the Agency's Forum for Quality and Effectiveness in Health Care. We believe that the input of practicing physicians is an an essential part of guideline development efforts. We urge the Agency to actively pursue substantial physician involvement in all aspects of effectiveness research and guideline development.

The RPA has been participating with other national medical specialty societies in the AMA's practice parameters forum, and has endorsed a compilation of requirements for the development of practice guidelines. The resulting format includes the following attributes:

- development by/or in conjunction with, physician organizations
- incorporation of methodologies integrating relevant research findings and appropriate clinical expertise
- constitution so as to be as comprehensive and as specific as possible, and based on current information
- necessity of wide dissemination

The RPA is now pursuing the development of practice guidelines relating to kidney disease. Given the costs associated with the provision of health care to the populations of individuals with kidney diseases, and the vulnerability of the government's ESRD program, we believe that funding of such studies should be seen as a high priority by the

Agency. We believe that the appropriations committees should take the initiative to provide increased funding for the AHCP&R's medical effectiveness program directed to support of studies relating to kidney disease outcomes assessment and clinical care decisions.

$51 million of the Administration's request for the Agency is for the Agency's general health services research and health care technology assessment programs. Approximately $34 million of this amount is included for evaluations in general health services and technology assessment. Close to two-thirds of that amount goes to research on the delivery of services to minorities and the disadvantaged, rural health research, primary care, health promotion and disease prevention activities, and medical liability. In the renal area, there are several important issues which merit analysis under such a program of evaluative research. (Insert relating to renal disease specifically)

General research and dissemination of information on health care services and on systems of delivery of such services will be supported at essentially the FY 90 level under the Administration's budget. The RPA believes that the increasing importance and national trend in support of activities in this area dictates that new budget authority be increased for FY 91 for programs in such areas as health care services in rural areas, clinical practice, health care technologies, health care costs, and long term care.

The RPA has had a long-standing commitment to health services/medical effectiveness research, particularly as it impacts the delivery of care and services to people with kidney diseases. We appreciate the opportunity to contribute to the appropriations committee's deliberations concerning FY 91 federal funding for this important area of research.

National Coalition for The Homeless

Statement of

GREGORY L. EVANS

DEPUTY COUNSEL
NATIONAL COALITION FOR THE HOMELESS
WASHINGTON, D.C.

before the

UNITED STATES HOUSE OF REPRESENTATIVES
APPROPRIATIONS SUBCOMMITTEE ON
LABOR, HEALTH AND HUMAN SERVICES

April 26, 1990

1621 Connecticut Avenue, Washington, DC 20009 202-265-2371 Fax 202-265-2615
105 East 22nd Street, New York, NY 10010 • 212-460-8110 • Fax 212-777-3034

Mr. Chairman,

Today, the people of the United States are more aware of the pervasive homelessness crisis in our country. Yet, when homelessness is debated and solutions are proposed, homeless and runaway youth are regularly overlooked as a segment of the homeless population also needing immediate assistance.

Homeless and runaway youth are a distinct and fast growing part of the homeless population in our country. The National Coalition for the Homeless estimates that at least one million American children were homeless and unaccompanied by a parent or guardian at some time during 1989.

Contrary to popular thought, most homeless and runaway youth do not leave home seeking to satisfy some sense of adventure. In fact, most do not have safe homes to which they can return after a brief stay on the streets.

Today, most homeless and runaway children are fleeing destructive home environments. A December 1989 General Accounting Office report on homeless and runaway youth documented that 82 percent of children assisted at federally funded shelters were subjected to parental neglect, physical or sexual abuse, or exposed to drug or alcohol abuse or domestic violence before leaving home.

During the past decade, increasing numbers of children were "thrown away" by parents, who, because of drug, emotional or other problems, could not continue to care for them. According to a recent report of the House Select Committee on Children, Youth and Families, approximately 500,000 American children were actually forced out of their homes in 1989 because of alcohol or drug abuse, homelessness, family breakup, poverty and child abuse or neglect. In short, the choice for many children is either to stay and suffer - and perhaps perish - or to flee.

Homelessness among families is also causing an increase in homeless unaccompanied youth. The number of homeless American families is growing almost exponentially. Recent studies by the Department of Housing and Urban Development indicate that, on any given night, the proportion of shelter-using homeless families increased from 21 percent in 1984 to 40 percent in 1988.

A seldom discussed result of family homelessness is that children in homeless families are regularly removed from their families and placed into foster care. Increasingly, parents unable to provide a home are considered unfit to care for their children.

Notwithstanding the devastating impact these placements have on family integrity and well being, such placements are usually unsuccessful, especially among older children, since many youth would rather attempt to make it on their own than to have strangers care for them. As a result, many children of homeless families take to the street with no where to go and, most often, with inadequate services available to assist them.

Failing foster care systems are also contributing to homelessness among youth. The nexus between failing foster care services in our country and the increasing incidence of homelessness among youth is very close. Far too often, children are discharged from foster care with neither the resources nor the ability to manage on their own. Consequently, many of these children usually homeless youths.

Other youth are pushed out of foster care too early because the foster care system is overburdened and unable to offer stable placements. The number of children placed in foster care in America is rising dramatically. It is estimated that the number of children in foster care rose 23% between 1985 and 1988 (340,000 children in foster care in 1988 as compared to 276,000 in 1985). With the number of children in such care increasing, the number of available placements is reported to be remaining constant.

Although Congress sought to address the inadequacies of the foster care systems throughout the country during the 96th Congress - through passage of permanency planning legislation (P.L. 96-272) - children continue to be bounced from placement to placement because beds are available only for brief periods and permanent placements are not sufficiently pursued. In short, many foster care children become the subtle throwaways of our child welfare service system and wind up on the street.

Tragically, children thrown away and into the street are easily victimized and usually suffer psychological and physical harm. Homeless youth are preyed upon by pimps, drug dealers and molesters. They are at extremely high risk of contracting AIDS. They are harmed by older people taking advantage of their vulnerable condition. Although we are aware this harm to our nation's youth is occurring, services which may actually prevent such injury are veritably insufficient.

During the week of December 11, 1989, the National Coalition for the Homeless surveyed federally funded programs assisting homeless and runaway youth in the United States. The agencies surveyed uniformly report that their shelter, health, psychological and other essential services are not sufficient to met the needs of homeless youth in their communities.

The current lack of emergency shelter assistance for homeless youth is exacerbated by administrative and financial trouble within the nation's largest provider of services to homeless and runaway youth, Covenant House. At one time, this single organization devoted three times as much in private resources for homeless and runaway youth as the federal government.

Unfortunately, the difficulties within this organization will likely result in a significant reduction in services to homeless youth. The troubles currently endured by the nation's largest provider of services to homeless youth necessitate an immediate increased appropriation for the Runaway and Homeless Youth Act in order to prevent further suffering and harm.

There is simply not enough emergency shelter assistance for homeless and runaway youth. In many cities, they are refused entrance to overcrowded shelters. In some places, homeless youths are actually locked up in adult jails and juvenile detention facilities because there are no emergency shelter services to assist them. In Kentucky, for example, during 1989 1,311 homeless or runaway children were locked up in adult and juvenile detention facilities for this reason.

In addition to the need for additional shelter assistance, other vital needs of homeless youth are not being met. Mental health problems are acute. The incidence of psychological problems is increased by the disruption and disorientation of homelessness. In fact, most studies report that over 80 percent of homeless youth exhibit some symptoms of psychiatric disorder. Yet homeless children cannot expect to receive adequate treatment and counseling because insufficient resources are allocated for the purpose of providing mental health care for this population.

Homeless youth have critical physical health needs not being addressed. Seven to ten percent of the homeless youth screened in a recent New York City survey tested positive for the AIDS virus, a rate which increased to 20 percent in a group of adults who were formerly homeless youth. The high rate of seropositivity is linked primarily to frequent sexual activity, often in exchange for money for food, shelter or drugs. Hepatitis, malnutrition, and other disease and injuries are pervasive among homeless youth.

Since its inception in 1974, the Runaway and Homeless Youth Act essentially saved the lives of hundreds of thousands of homeless young Americans by providing shelter, counseling and other vital services. The Runaway and Homeless Youth Program is invariably referred to as a laudable, effective federal program.

Even though the programs administered under the Runaway and Homeless Youth Act provide services in the manner contemplated by Congress, as stated, existing programs are not sufficient to meet the urgent needs of homeless and runaway youth. Accordingly, an increase in appropriation under the Runaway and Homeless Youth Act is needed.

Health services to homeless youth must also be improved and expanded. Currently, an agreement facilitated by the Department of Health and Human Services between homeless youth shelters receiving federal assistance and the Public Health Services allows homeless children, unaccompanied by a parent, to avail themselves of health services offered to the adult homeless population at shelters and health centers.

This method of providing health care to homeless youth is inappropriate. It risks greater harm, abuse and injury to vulnerable youth by requiring them to enter adult homeless shelters to get medical care. Locating medical care for runaway and homeless youth in usually daunting adult homeless shelters acts to deter youth from obtaining the medical care they need.

Federal funding for permanency planning services must also be increased. Despite dramatic increases in the number of children in foster care, federal funding has not kept pace. Funding for child welfare services, providing important prevention and reunification support to families, is stagnant and remains below the authorized spending for 1980. With additional abuse prevention and family reunification support, presumably, fewer children will be forced to flee destructive homes.

Despite the demonstrated need of homeless youth for mental health services, the principal federal support for mental health services - the Alcohol, Drug Abuse and Mental Health Block Grant - provided $17 million less in fiscal year 1989 than in 1981. There is no separate, adequate funding for children's mental health services.

Even though homelessness among families has increased to include more than one million Americans, the Department of Housing and Urban Development completed 1989 with a contemptible record of ineffective assistance for the over one million homeless families in America. There can be no denying that a connection between homelessness among youth and a lack of available, suitable permanent homes definitely exists. An increase in low income housing assistance would no doubt serve to partially abate rising foster care placements and homelessness among youth.

## CONCLUSION

Without additional help, the outlook for homeless youth in the 1990's is bleak. Programs to assist homeless and runaway youth are truly a good investment for the children themselves as well as for the future of our country. If adequately assisted today, it is less likely that these children will rely upon already overburdened social service administrations in the future.

A bolder, more substantial federal response is needed. Emergency shelter and transitional living programs for homeless and runaway youth are abjectly insufficient. They must be expanded. Finally, if we are to stem the increasing number of homeless youth in America, increased supportive services to families is needed.

Your leadership, Mr. Chairman, and the leadership of the entire Subcommittee is desperately needed to facilitate a redirection of resources to relieve the suffering of homeless and runaway youth and to adequately fund programs which can successfully prevent deterioration of the American family.

# Testimony for the House Committee on Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies

Submitted on behalf of the
National Board for Professional Teaching Standards
by

Joel Aaron Fink
Guidance Counselor
South Oldham High School
Crestwood, Kentucky

April 25, 1990

Joel Fink was a high school biology teacher at Oldham County High School for 12 years, where he also served as a counselor in the school's drop-out prevention program. Now a guidance counsellor at South Oldham High School, he was Kentucky's Teacher of the Year in 1986 and is a Director of the National Board for Professional Teaching Standards.

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to testify on the need to fund the research and development program of the National Board for Professional Teaching Standards (NBPTS). As a teacher, I have first hand knowledge of the urgent need to invest in the quality and future of the teaching force. As a director of the NBPTS, I want to thank you, Mr. Chairman, and the members of this committee and the Congress for the confidence you have shown in our mission by enacting $5 million in appropriations for FY 1990 for the research and development work of the Board.

We are here today to ask that you continue your support in the FY 1991 appropriations measure.

Since the Board's testimony before you a year ago, we have made important progress in our efforts to make National Board Certification for teachers a reality by the middle of this decade. The legislation to authorize federal matching funds for the NBPTS was overwhelmingly approved by the Senate earlier this year. The House is moving on that legislation -- hearings have been held -- and we expect committee action in the coming weeks.

The Board is experiencing real success in raising the private research and development dollars which will go to match those federal funds. So far, more than $6.5 million has been pledged from corporations and foundations. In addition, we have a five year, $5 million commitment from Carnegie Corporation of New York to support the Board's operations.

We expect the development of assessments in each of the 34 areas where we plan to develop certificates may take from two to three years from start to finish. We have estimated that it will cost $50 million to set the standards in each field and build compatible high quality assessment processes that command the trust, confidence and respect of teachers and the public they must if National Board Certification is to succeed. At that point, the National Board will become self-supporting by the fees teachers will pay to stand for certification.

While we will proceed to develop the standards and assessment methodologies as rapidly as funding will allow, it is clear to us that if our nation's 2.5 million teaching force is to realize the benefits of National Board Certification this decade, it cannot become a reality without the support of the Federal government and the leveraging of private funds which federal matching funds will occasion. The legislation before the Congress calls for a commitment of $25 million in federal matching funds over a four year period.

## The Mission of the Board

The mission of the National Board for Professional Teaching Standards is to improve student learning in American's schools. Our central goals include: setting high and rigorous standards for what experienced teachers should know and be able to do; developing credible assessments to determine whether a teacher meets those standards; and awarding National Board Certificates to those who do.

National Board Certification will be voluntary. It is designed to complement, not replace, current state licensing procedures. It is designed for experienced, not beginning, teachers. By the end of the decade we anticipate tens of thousands, perhaps hundreds of thousands, of public and private school teachers will have applied for and achieved such status.

It is our expectation that the work of the Board will focus attention on the substantive professional judgment and decision-making that is at the heart of teaching. It will give this nation's best teachers a new and potent reason to stay in the classroom; at the same time, it will attract more highly qualified candidates into the profession, particularly minority applicants. National Board Certification will also help improve teacher education and continuing professional development programs that can foster first-rate teaching. For these reasons, National Board Certification will change significantly the way teachers teach and students learn.

## Assessing Excellence in Teaching

The National Board must develop and implement a comprehensive assessment system that fairly and accurately identifies elementary and secondary school teachers who meet the Board's high and rigorous standards. The assessment procedures must be professionally acceptable, publicly credible, legally defensible, administratively feasible and economically affordable. Furthermore, the assessments must go beyond paper and pencil testing. Procedures must be developed to determine not only what teachers know, but also evaluate what they are able to do. Can they translate complex material into language students understand? Can they exercise sound and principled professional judgement in the face of uncertainty, and can they act effectively on such judgments? Assessments that can recognize the complexity of teaching and reflect the diversity and pluralism of American education must be able to accommodate the possibility that there will often be more than one appropriate approach to convey a particular idea, concept or theory to students, and also accommodate the prospect that as the number and mix of students varies so too might a teacher's practice.

The assessment methodologies and technologies that the Board needs can not readily be taken off-the-shelf. Consequently, the Board will be breaking new ground. It will explore the feasibility of assessment center exercises, of interactive videos, in-depth interviews, portfolios that are defended orally, simulations and on-site classroom observations along with other state-of-the-art ideas.

The Board is committed to attracting minorities to the profession and seeing current minority teachers stand for Board-certification. It will work to ensure that such teachers are well informed about the Board's expectations and processes, about how best to prepare for certification and about the steps the Board has taken and will continue to take to detect and eliminate examination bias and adverse impact. This will include establishing close working relationships with historically Black colleges and universities and other institutions that enroll large numbers of minority students. A central objective here is to ensure that no teacher declines to seek Board-certification out of a concern that the assessment process is unfair.

The Board will not be conducting its research and development activities in-house. Rather, it will direct such funds to teams of scholars and teachers following a process of public notice, open competition and merit review. Not one dollar of federal funds will be targeted to any specific university or other research institution. The Board's research agenda, competitive processes and study designs will be reviewed by both an external Advisory Council made up of leading experts in teaching and related fields and the Secretary of

Education, and be open to public comment and scrutiny.

## The Need for Federal Investment

In order to achieve its goal of bringing a comprehensive assessment on-line by 1993, the Board must launch a massive research and development effort designed to accomplish in just a few years what it has taken other smaller and less diverse professions more than 25 years to do. Unlike many professions that offer a single certificate, the Board will be designing a system from scratch that offers over 30 certificates; dramatically multiplying the weight of the task at hand. It will take several years and an estimated $50 million to create a state-of-the-art assessment system. Once this initial start-up investment is made and the Board begins operating the certification system, it will become self-sufficient.

While the overall plan is dependent on the Board drawing support from many quarters, timely federal participation is vital if today's students, who are in need of dramatically improved schooling, are to benefit from National Board Certification.

The federal government is currently spending $11 billion annually on elementary and secondary education and this number is likely to grow. The return on this investment is, first and foremost, dependent on the caliber of the teachers on the front lines of education. Federal support for the Board then, in the form of a modest one-time injection of funds, should pay dividends for many years to come.

Support for the research and development activities of the National Board for Professional Teaching Standards represents a singular opportunity for the Congress to exercise leadership to transform teaching into a true profession. In so doing the Congress will not just be encouraging another small change at the margin, but contributing to the creation of a new institution that will serve as a catalyst for the kind of systemic education improvement the country desperately needs.

## Conclusion

With these benefits in mind, we urge the Committee to provide funding in the 1991 appropriations bill for the National Board for Professional Teaching Standards. We look forward to working with the Committee as you fashion a funding bill that responds to the urgent needs of America's students.

AAOHN

Sharon L. Muckenfuss, RN
*President*

Matilda A. Babbitz, RN
*Executive Director*

## American Association of Occupational Health Nurses
## Statment for the Senate
## Labor-HHS-Education Appropriations Subcommittee
## April 5, 1990

AAOHN, the professional association for registered nurses who provide on-the-job health care for the nation's workers, has a specific concern about occupational health nursing which we would like included in Appropriations language for the Occupational Health and Safety Administration.

Four disciplines collaborate and participate in the delivery of occupational health services: nursing, medicine, safety, and industrial hygiene. Occupational health nurses are the largest group of health care providers at the worksite. In fact, AAOHN has documented that more than 60% of our approximately 12,000 members are the sole health care providers at their worksites.

Some roles and functions overlap among the disciplines. However, nursing, as well as the other disciplines, has many independent, autonomous functions which do not require the supervision or oversight of any other profession. Recognizing this fact, the National Institute for Occupational Safety and Health has funded Educational Resource Centers to provide education and training for each of the four disciplines.

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Only three of the disciplines are involved in policy making at OSHA: medicine, safety and industrial hygiene. Since 1986, AAOHN has worked toward inclusion of nursing at the policy making level. Language in the FY '89 Appropriations bill (Senate Report 100-399, page 25) directed the agency to hire an occupational health nurse in a policy making position.

A well qualified occupational health nurse was finally hired; initially the position reported to the Director of the Office of Medicine, Directorate of Technical Support. However, for several months now the individual has been reporting directly to the Director of the Directorate of Technical Support.

The individual has attained a great deal of credibility within the agency. In fact, this individual was asked to write the medical surveillance/medical management portion of the ergonomic guidelines for the meat packing industry recently developed by OSHA.

The individual also has had heavy involvement in the development of the bloodborne pathogens standard. For example, this individual coordinated the agenda for two days of the public hearings, including identifying and interviewing witnesses by request of the Director, Directorate of Technical Support. At the request of the standard project officer, this individual reviewed and provided comment on the proposed testimony of Agency expert witnesses.

AAOHN is very concerned to learn that a proposal is being discussed which would once again place nursing personnel under the Office of Medicine at OSHA. This will perpetuate the myth among policy makers, regulators and employers that nurses must report to and are subordinate to medicine. The result of this myth is that companies bear extra cost in hiring physicians to "sign off" on the services provided by nurses and that nurses are prevented from providing services within the full range of their legal scope of practice. The cost issue is of particular concern for all business and industry, but particularly small businesses.

The proposal also has implications for the nursing shortage. The Secretary's Commission on Nursing concluded that a major contributor to the nursing shortage is this same lack of recognition and autonomy. Nurses are leaving the profession and students are choosing other professions at this time of increased demand and need for nursing services.

In summary, occupational health nurses are the largest group of health care providers at the worksite. It is vital that their role and contributions are considered at the policy making level at OSHA.

# STATEMENT OF HAROLD J. FALLON, M.D.

Chairman, National Digestive Diseases Advisory Board

Submitted to the House Subcommittee on Labor, Health and Human Services,

Education, and Related Agencies Appropriations

(Appropriations for Digestive Disease Programs at NIDDK and CDC)

April 23, 1990

# STATEMENT OF HAROLD J. FALLON, M.D.

Chairman, National Digestive Diseases Advisory Board

Submitted to the House Subcommittee on Labor, Health and Human Services, Education, and Related Agencies Appropriations

(Appropriations for Digestive Disease Programs at NIDDK and CDC)
April 23, 1990

I am Dr. Harold J. Fallon, Chairman, Department of Medicine, Medical College of Virginia, and Chairman of the National Digestive Diseases Advisory Board. The Board was established by Congress to monitor the implementation of the national long-range plan that was developed by the National Commission on Digestive Diseases.

The numerous disorders known collectively as digestive diseases include serious and potentially life-threatening illnesses such as cirrhosis of the liver, inflammatory bowel disease, hepatitis, cancer, ulcers, and gallstones. These acute and chronic disorders have one common element--they affect the digestive tract, which includes the esophagus, stomach, liver, pancreas, small and large intestines, and anorectum. Digestive diseases are responsible for approximately 13 percent of all admissions to general hospitals in the United States and 10 percent of all surgical procedures. They affect more than one-half of the U.S. population at some time during their lives.

## Digestive Diseases Research, NIDDK

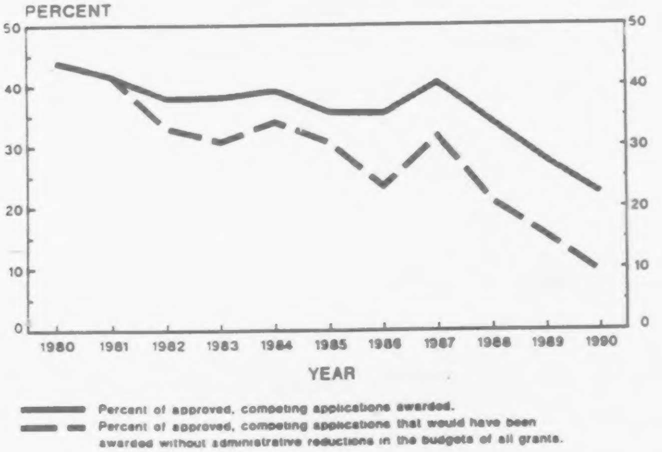
The Board is greatly concerned about the inadequate appropriations for digestive diseases research. In the year following completion of the

Commission's long-range plan, the Congress provided additional funds to begin implementation of the recommendations. However, this initial impetus has not been sustained and the percentage of approved applications for research that can be awarded has declined precipitously. At the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK), the award rate has fallen from 44 percent 10 years ago to 22 percent in FY 1990.

In addition, the budgets of all awarded grants are now reduced below the amounts approved by the scientific review committees. The size of this reduction reached 12 percent in 1990. If these reductions had not been implemented, the actual award rates for competing applications would have been only 9.3 percent in 1990 (see Figure 1). Figure 1 provides a striking perspective of the fiscal status of biomedical research programs at NIDDK.

**FIGURE 1**

AWARD RATIO FOR COMPETING RESEARCH APPLICATIONS
NIDDK, 1980-1990



The failure of Federal appropriations to keep pace with new research opportunities and with the rising cost of biomedical research is seriously affecting established research programs and deterring future scientists from entering research careers. The Board believes that at least 40 percent of approved individual research grant applications at NIDDK should be funded at budget levels approved by the scientific review committees. This increased level of funding will lead to an increase in our knowledge of digestive diseases and will facilitate the prevention, detection, and treatment of these diseases.

**The Board recommends that Congress and the administration provide $525 million in FY 1991 for research project grants in NIDDK to support 40 percent of approved projects at recommended budget levels.**

## Clinical Trials, NIDDK

Carefully controlled clinical trials are an essential component of the research continuum that leads from the laboratory to patient treatment. Without clinical trials, many research questions remain unanswered, and potential treatments are not evaluated. Last year, the Board recommended that additional funds be appropriated to NIDDK to initiate new clinical trials. The Senate Committee on Appropriations thereafter requested that the NIDDK thoroughly examine the need and potential for clinical trials in digestive diseases and report to the Committee.

The Institute's report to the Committee highlighted four areas considered to be the most compelling due to public health needs, scientific opportunity, and/or technical feasibility: primary biliary cirrhosis, inflammatory bowel disease, gallstones, and peptic ulcers. The Institute has estimated the first-year costs of trials in these four areas to be approximately $7.5 million. These costs will increase in subsequent years as each trial proceeds through planning, feasibility, and full-scale phases. Total funding, over a 5- to 7-year period, is estimated at $36.5 million, plus the cost of at least two additional staff members required to administer the trials.

These trials cannot be initiated within existing resources without severely affecting the current investigator-initiated research grants described above. Therefore, additional funds must be appropriated to NIDDK.

**The Board recommends that an additional $7.5 million be appropriated to NIDDK in FY 1991 to initiate new clinical trials in digestive diseases.**

NIDDK Appropriation

In addition to the activities cited above, the NIDDK also supports Digestive Diseases Research Centers and Clinical Nutrition Research Units. These centers are funded far below recommended levels, seriously impairing their activities. The Institute's research training and intramural research programs also require increased support.

**The Board recommends that the total appropriation for NIDDK be increased to $736 million in FY 1991.**

## Prevention of Hepatitis B-Associated Liver Disease, CDC

Hepatitis B is a major public health problem. Each year, 5,000 to 6,000 deaths occur from acute and chronic hepatitis B-associated liver disease. Next to alcohol abuse, hepatitis B appears to be the major cause of cirrhosis of the liver and liver cancer. Although a highly effective vaccine against hepatitis B became available in 1982, the incidence of the disease continues to rise because the vaccine is not reaching those individuals who are at greatest risk of infection.

Recently, the Board reviewed the status of efforts to control hepatitis B. The Board also received a report from the Centers for Disease Control (CDC) that provided a summary of alternative strategies for controlling the disease. The Board subsequently concluded that a comprehensive national public health program should be initiated to eliminate hepatitis B transmission. This program should include universal immunization of children. The Board has transmitted this recommendation directly to the Secretary of Health and Human Services and to the Immunization Practices

Advisory Committee that advises the Public Health Service. Additional funds are required for this initiative.

The Board recommends that Congress and the administration provide additional funds to CDC in FY 1991 to implement a national program to eliminate transmission of the hepatitis B virus in the United States.

# TESTIMONY OF WILVERIA B. ATKINSON, Ph.D.

TO THE
UNITED STATES HOUSE OF REPRESENTATIVES
LABOR-HHS-EDUCATION SUBCOMMITTEE
FOR
THE SCIENCE AND TECHNOLOGY ADVISORY COMMITTEE
TO
THE NATIONAL ASSOCIATION FOR EQUAL OPPORTUNITY IN HIGHER EDUCATION

The National Association for Equal Opportunity in Higher Education (NAFEO) is the organization of Presidents and Chancellors of the Historically and Other Predominantly Black Colleges and Universities (HPBCUs). The committee on which I serve functions to 1) monitor participatory opportunities in science and technology for member institutions, 2) provide forums in which scientists from our institutions engage in dialogue with relevant governmental and private agencies, and 3) advocate programs and processes that enhance the scientific and technological capabilities of our institutions. It is for specific guidance for two of the National Institutes of Health programs designed to increase the number of under-represented minority citizens that are engaged in biomedical research that I petition you today.

The Science and Technology Advisory Committee to NAFEO is keenly aware of, and sensitive to your efforts regarding budget constraints. NAFEO understands that budget priorities must be made firmly in the best interest of the nation as a whole. We have, therefore, looked carefully at the administration's budget request for the Minority Access to Research Careers program and the Minority Biomedical Research Support program. We believe the request to be adequate, and we support it. We know that cost-effective management of the requested funds will allow great strides to be made towards accomplishing the goals of the designated programs.

In this regard, In a meeting at the NIH in June 1989 between Dr. Frederick Humphries, Chairman, Science and Technology Advisory Committee to NAFEO, Dr. Gilbert Sanchez, Chairperson, the Hispanic Association of Colleges and Universities, and Dr. Janine Windy Boy, President of the Crow Indian Consortium, an agreement was reached regarding the implementation of the MBRS program. The program was originally authorized by you to provide tri-focused support to minority institutions as a mechanism to increase minority participation in the biomedical research of our nation. The focuses delineated were

1) institutional---increase the capacity of the institution to foster basic biomedical research;
2) faculty---------provide opportunities for faculty at minority institutions to compete for basic research support through a dual peer review process; and
3) students--------provide opportunities for students at minority institutions to do research with faculty in their competitive research projects.

In attempts to broaden minority student participation, the authorized focuses of the MBRS program have apparently been lost. The institutional and faculty focuses along with peer competition have been usurped by the desire to provide minority students entry into research. Because of the associated administrative costs of these practices, cost effectiveness is not a reality. We seek you guidance in assisting the NIH in moving towards cost-effectiveness with the program while maintaining the impetus to support more qualified minority students. We ask that the MARC Fellowships, currently available through competition to individuals who have completed the MARC Undergraduate Program, be portable and competitively available to all qualified minority students. By making portable MARC Fellowships available to all qualified minority citizens graduating with honors, savings of the administrative costs and overhead associated with those MBRS programs addressing only student needs can be realized.

We, therefore, respectively request that in your appropriations language to the NIH you instruct that the MARC Fellowship program be portable and accessible to all qualified minority sudents. Additionally, that the MBRS program be returned to minority institutions except in those special instances required to address the needs of the Native American population.

# STATEMENT
# TO
# SUBCOMMITTEE ON
# LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES
# OF THE
# COMMITTEE ON APPROPRIATIONS
# UNITED STATES HOUSE OF REPRESENTATIVES

RE

HELEN KELLER NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

PRESENTED BY

STEPHEN S. BARRETT, M.Ed.
DIRECTOR
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APRIL 12, 1990

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to present written testimony in regard to our request for your continued support for the Helen Keller National Center for Deaf-Blind Youths and Adults (HKNC). This testimony is submitted by Mr. Stephen S. Barrett, Director of the Helen Keller National Center in lieu of not having the opportunity to appear in person with oral comments.

My purpose is to convey to you the urgent need to invest a small portion of this nation's resources in services to a very special population- people who are deaf and blind. Also, to provide you with brief background information on the history and goals of HKNC, recent accomplishments, our goals for the coming year, and implications of chronic financial constraints. I wish to address very specific service priorities in terms of their benefit to persons who are deaf-blind, their implementation, and why we feel they will have an important impact on services on a national basis.

The Helen Keller National Center is funded exclusively by Congress. For FY 1991 the Bush Administration has proposed funding for HKNC in the amount of $5.2 million. This inflationary increase is the first proposed by the Administration in many years and is appreciated. Unfortunately, however, over the past several years services to deaf-blind persons through HKNC have been curtailed because of level funding. The FY 1989 appropriation was increased by just .8 of one percent. In FY 1990, the increase was 2%. Because of inflation HKNC has experienced an actual reduction in real terms over the past four years.

## HKNC'S MISSION IS UNIQUE

The Helen Keller National Center is unique, not only in America, but in the world. It is the only national service agency in existence whose sole purpose is rehabilitation training of people with deaf-blindness, one of the severest of all disabilities. The Center is authorized under Title IX of the Rehabilitation Act Amendments of 1986 and operates under the general supervision of The Rehabilitation Services Administration, OSERS, U.S. Department of Education.

In 1986 the Helen Keller National Center Act established an independent authorization for HKNC. The Congress found that:

**(1) "deaf-blindness is among the most severe of all forms of disabilities, and there is a great and continuing need for services and training to help deaf-blind individuals attain the highest possible level of development;**

**(2) due to the rubella epidemic of the 1960's and recent advances in medical technology that have sustained the lives of many severely disabled individuals, who might not have otherwise survived, the need for services for deaf-blind individuals is even more pressing now than in the past;**

**(3) helping deaf-blind individuals to become more self-sufficient, independent, and employable by providing the services and training necessary to accomplish that end will benefit the Nation, both economically and socially;**

**(4) the Helen Keller National Center for Deaf-Blind Youths and Adults is a vital national resource for meeting the needs of deaf-blind individuals and no State currently has the facilities or personnel to meet such needs;**

**(5) the Federal Government has invested approximately $10,000,000 in capital, equipment, and operating funds for such Center since it was established; and**

**(6) it is in the national interest to continue to provide support for the Center, and it is a proper function of the Federal Government to be the primary source of such support."**

The purpose of the Helen Keller National Center is to provide a national program of rehabilitation services to America's estimated 40,000 persons with deaf-blindness. We accomplish this in many ways. During the twelve month period ending June 30, 1989 the Center served over 2900 persons through its (1) rehabilitation center based at its headquarters on Long Island, New York, (2) ten regional offices located throughout the nation, and (3) national network of 28 affiliates based within public and private agencies.

## EXPANSION OF NEEDED SERVICES

An appropriation of $5.5 million for FY 1991 will allow us not only to maintain essential services and training for the most severely disabled of our nation, but will enable HKNC to undertake the following the following initiatives:

### 1. EXPAND EMPLOYMENT TRAINING PROGRAMS

At present we are limited in the number of employment sites we can establish only the number of staff we are able to hire. The model of Community Work Experience we utilize, based upon supported employment theory, has already proven effective. We are requesting funds to add two employment training specialist positions who will work directly with our clients on the job site. This will allow us to double the number of job training sites in the community and the number of persons served.

### 2. ADD "SUPPORTED LIVING" SERVICES TO CURRICULUM

Although there are several thousand persons with all kinds of disabilities served by supported living programs throughout the nation, few, if any, are as severely disabled as persons with deaf-blindness. HKNC would establish a national model of supported living for deaf-blind clients which would also be replicated in other parts of the nation through HKNC's Field Service Programs.

3. INCREASE SERVICES THROUGHOUT THE NATION

Last year we have begun a process of adding a second person to each regional office based upon recommendations from The Rehabilitation Services Administration, the federal agency under whose supervision we operate. Two new staff have been added, one each to our Atlanta and Seattle offices, and we added a third position which will serve as a Specialist for Elderly Persons with Deaf-blindness.

If our request of $5.5 million is approved, we would add two new positions to our regional offices in order to gradually increase the number of staff in these positions. The result will be a measurable increase in the numbers of persons served in their local communities.

We would also expand our national Affiliate Network which last year served over 1,800 persons. HKNC provides seed money on a temporary basis to public and private agencies in order to assist them in developing specialized projects to serve persons who are deaf-blind.

4. IMPROVEMENTS TO PLANT AND MAINTENANCE

HKNC's facilities were constructed with funding provided by the federal government and the government retains ownership of the buildings, furnishings, and grounds.

Our current facilities, though modern and well maintained, could benefit from modern technology to effect energy cost savings. Our furnishings in many parts of the three buildings on campus are the original ones installed in 1976. We have begun a plan of action to gradually replace worn equipment and furniture. Our residence building, which provides room and board for a maximum of 52 clients, is badly in need of new furnishings.

5. MEET THE ANTICIPATED REQUIREMENTS OF A NEW BARGAINING AGREEMENT

Our current union agreement calls for a salary increase of 5% on July 1, 1990 which also increases our cost of fringe benefits. Without funding to help cover these increases and the normal inflationary increases expected from year to year in any organization, our only alternative would be to eliminate vital staff positions.

## CONCLUSION

Individuals with deaf-blindness are perhaps the most severely handicapped population known to mankind. The Helen Keller National Center for Deaf-blind Youths and Adults provides the highest quality services possible in a program which is internationally recognized as a leader in the field of Vocational Rehabilitation.

On a national basis we are proving everyday that people who are deaf-blind can lead meaningful lives living and working alongside their fellow members of the community. The financial costs of rehabilitation can be measured and the return on every dollar spent has been proven to be a remarkable investment repaid many times over as tax consumers become taxpayers.

Each year brings new ideas, service strategies, and increased opportunities for persons who are deaf-blind. Over the years there has been considerable growth at Helen Keller National Center in terms of both the quantity and quality of services provided. Deaf-Blind youths and adults of America need your continued support to help them attain the same quality of life we desire for ourselves.

An appropriation of just $300,000 over the President's budget will be the best investment in human potential this Congress can make.

COORDINATING COUNCIL
FOR CANCER RESEARCH

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# STATEMENT OF
# THE
# COORDINATING COUNCIL FOR CANCER RESEARCH (CCCR)
# BEFORE THE
# U. S. HOUSE OF REPRESENTATIVES
# COMMITTEE ON APPROPRIATIONS
# SUBCOMMITTEE ON LABOR-HEALTH AND HUMAN SERVICES-EDUCATION

## CONCERNING

## FY 1991 APPROPRIATIONS IN SUPPORT OF CANCER and BIOMEDICAL RESEARCH

~ ~ ~

**APRIL, 1990**

Mr. Chairman Natcher and Members of the Subcommitee this testimony is submitted on behalf of the Coordinating Council for Cancer Research (CCCR).

The CCCR is a nonprofit organization which serves to promote international collaboration through meetings, joint research projects, international fellowship programs, providing travel by scientists to laboratories in other countries to develop and conduct collaborative research endeavors, and global approaches to prevention and control of cancer.

The CCCR focuses its support on worldwide coordination in cancer research by fostering collaboration and cooperation between teams of international cancer research scientists. This type of activity complements existing public and private efforts of every nation involved in cancer research. We are the only organization which coordinates and maintains cooperative research at an international level.

Cancer has no boundaries. Every year over 7 million new cases of cancer are identified worldwide.

We live in an age of international competitiveness. The U.S. has long been a leader in the area of biomedical research and the

National Cancer Institute is revered around the world as a premier institution which serves to support cancer researchers of the highest caliber. But in order to remain in this league, the Congress will have to continue to support the research programs of the National Cancer Institute in the generous fashion which has been done in the past. However, if we fail to direct the funding needed to the National Cancer Institute to address the research opportunities which exist, the U.S. will find itself slipping away from their prominent international standing in the area of biomedical research. Already Japan, West Germany, and France commit a greater percentage of their GNP to biomedical research.

International coordination and collaboration in cancer research to bring the best and brightest minds to the task of solving the cancer puzzle. Communication between scientists through international symposiums and collaborative research projects will allow us to facilitate this goal and achieve the objective of eradicating cancer from this continent.

International collaboration through two basic programs of education and training would provide a sound basis from which to begin to harness and utilize our research findings.

The National Cancer Advisory Board has transmitted to the President the FY 1991 By-Pass-Budget, a needs budget, for the NCI of $2.4 billion. The President's Budget would fall short of this funding level, by $716 million. Without these resources, many research opportunities will go unfunded and existing research efforts will not be stabilized. The impact of the FY 1991 President's Budget is highlighted below:

- 10 fewer grants will be funded in FY 1991 than were funded in FY 1990.
- Only 27% of the approved grants will be funded.
- Downward negotiations of 20% for competing grants and 4% for noncompeting grants will be necessary; and
- Level funding of cancer centers, and cancer prevention and control programs will prevent these programs from stabilizing or addressing new initiatives..

With this type of funding climate, it is virtually impossible for the NCI to commit dollars into international collaboration. And yet, one investment would go much further if we could bring researchers conducting similar studies into a collaborative arrangement

Reaching the level of commitment which is recommended in the By-Pass-Budget is a challenge. However we must realize these research opportunities -- for this and future generations. The By-Pass-Budget would allow for the following:

- Full funding of a 50% award rate.
- Full funding of noncompeting research grants.

- Full funding of existing cancer centers as well as restoring the 10 centers phased out in the past two years and adding 5 new cancer centers.
- Expand the number of clinical trials.
- Expand cancer prevention and control programs.
- Address the needs of special populations such as minorities and over-65 populations.
- Expand the cancer information dissemination activities.
- Expand on vaccine development efforts.

Within this type of research climate, international programs can be properly fostered.

We look for the day when cancer is eliminated. Turning this hope into reality is possible only if we marshall the talents of the world's outstanding scientists in all fields of cancer research. International discoveries have accelerated discoveries in many technological fields. The time has come to apply the same formula in a global war against a disease which claims so many lives every day.

The cold war is over. We are entering into a time where we have the luxury to move away from huge defense programs and can move toward a goal of a healthier nation and world. In this country alone, over 500,000 Americans die every year of cancer. This is the equivalent to one Congressional District. If we commit adequate funding for the existing cancer program, it is estimated that 178,000 of those individuals would live. We are on the verge of many scientific/technological breakthroughs which will have international consequence.

If the U.S. wishes to maintain their lead they will have to move quickly towards dedicating resources to the National Institutes of Health and the National Cancer Institute. I am sure that we can count on the leadership of this Subcommittee to work your fellow Congressmen and Congresswomen in assuring that the NIH/NCI is given a budget which will yield the answers we are seeking in the war against cancer.

I would like to leave you with this thought, in a time of peace, the U.S. spends more on Defense R&D in 24 months than has been committed to the NIH research budget in its entire 100 year history. Please help us to change our funding priorities. It has been my pleasure to appear before you.

JCAI

Joint Council
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STATEMENT OF

THE JOINT COUNCIL ON ALLERGY AND IMMUNOLOGY

BEFORE THE

HOUSE APPROPRIATIONS
SUBCOMMITTEE ON LABOR-HEALTH AND HUMAN SERVICES-EDUCATION

BY

Robert T. Scanlon, M.D

Clinical Professor of Pediatrics
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Bethesda, Maryland

April 19, 1990

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Thank you Mr. Chairman. My name is Robert Scanlon. I am a Clinical Professor of Pediatrics and the Co-Director of the Allergy Training Program at Georgetown University Medical Center, and a Member of the Board of Governors of the American College of Allergy and Immunology. I am here today testifying on behalf of the Joint Council on Allergy and Immunology (JCAI) and I would like to request that my written statement be placed in the record.

The JCAI is a professional society which represents the interests of the American Academy of Allergy and Immunology, and the American College of Allergy and Immunology. We represent over 3,200 physicians, both clinicians and researchers in allergy and immunology, working to ameliorate the suffering of the 35 million Americans who suffer from an allergic or immune disorder.

Before I proceed with my statement, I would like to thank the Chair and the Members of this Committee for the opportunity to testify today. I would also like to express the appreciation of the JCAI for all of this Committee's support of medical research programs in the past. Had it not been for the support of the Congress over the past decade, our research programs would be experiencing substantially more difficulties than they currently are.

In fact, I would like to stay on the subject of medical research and introduce the three important aspects I will discuss today: funding of research, particularly basic research; training; and, the use of animals in research. In the view of the Joint Council, these are the three most critical needs for research in allergy and immunology, as well as in biomedical research more broadly.

## Background

In the field of allergy and immunology, funding by the National Institutes of Allergy and Infectious Diseases (NIAID) has yielded significant advances and supported timely initiatives with the potential to alleviate the suffering of millions of Americans and reduce health care costs. Recently, for example, basic research has yielded important findings in our understanding of the genetic control of the immune response, the function of cytokines in allergy and inflammation, the identification of synthetic molecules capable of disrupting replication of the influenza virus, and new insights into the structure of the AIDS virus that can be targeted for development of new antiviral agents and/or a vaccine.

An estimated 40 million Americans suffer from allergic diseases. Ten million of these have asthma -- one third of whom are under 18 years of age. Recently, the prevalence of childhood asthma, as well as associated hospitalizations, have been increasing in the U.S., especially among urban minorities. To address this serious problem, the NIAID has started urban asthma clinical trials examining treatment methodologies.

In another area affecting children, NIAID researchers have developed a new type of acellular pertussis vaccine with the potential to reduce the high rate of adverse reactions associated with the current vaccine, which has been in use since 1945.

Such advancements all derive from investment in basic research that is the core of our research efforts. It provides the foundation upon which all other research efforts are built. However, recent funding constraints have been so severe that many scientists believe that we will soon lose pace with our competitors, and lose our preeminence in this field. It is important to point out that several of our competitors spend a larger percentage of their GNP per capita on medical research than the United States currently does.

## Basic Research

This year, NIAID expects to fund 1,624 non-AIDS research grants, which includes funding of only 22% of approved competing grant applications. Then, researchers who do get funded still have to contend with "downward negotiations" in their research grants. As you know, they are actually cuts, equivalent to 10-14% of the grant award up front, and additional cuts in the out years. The President's budget for FY 91 does not call for any increase in the number of non-AIDS grants or even for full funding of research grants.

The Joint Council would like to stress the importance of strengthening the non-AIDS basic research portfolio of NIAID. Right now, a multitude of basic research opportunities remain unfunded, in areas ranging from the basic regulation of the immune system, to the immunology of infectious disease, to immunosuppression and transplantation. These and other priority research areas have been expertly outlined by the NIAID Task Force on Immunology and Allergy in its draft report, which we recommend to this Subcommittee.

The Joint Council supports the recommendation of the Ad Hoc Group for Biomedical Research calling for $9.2 billion for NIH as the minimal level of funding for NIH's research programs. Funding of NIH at the level recommended by the Ad Hoc Group will allow for funding of 33% of approved competing grants at NIAID and will allow full restoration of grants, i.e., no downward negotiations. However, you should be aware that this is still substantially below the professional judgement of researchers in the field which calls for funding rates of 40-45%.

In addition, the JCAI would like to provide our strong support for a few specific NIH initiatives. The Asthma and Allergic Disease Cooperative Research Centers and the Cooperative Research Centers for Immunologic Diseases are two of the NIAID Research Centers which were instituted to promote close coordination between clinical investigators and basic researchers. However, the President's Budget did not provide for full funding or any expansion of these critical programs. The JCAI is requesting that these Research Centers be fully funded by direct appropriation and that the reductions by downward negotiation be restored. This too is in keeping with the recommendations of the Ad Hoc Group to fully fund existing centers.

JCAI's other high priority program area is asthma research and education--particularly efforts targeted towards prevention and intervention in urban and minority populations at increased risk. NIAID needs new money in FY 91 to provide for targeted research on interventions for asthma morbidity in inner city children. In addition, NHLBI supports broader asthma education efforts and needs new money to focus on the populations at highest risk. The Joint Council is requesting additional funding to support each of these critical initiatives in asthma research and education.

## Training

Next, I would like to thank you for the restoration of the training budget in the 1990 appropriation. Good science requires adequately trained people and the U.S. needs all the scientists we can produce. As you know, there are still many needs in this area. NIH funding at the level recommended by the Ad Hoc Group would allow for full funding of the existing research training positions at NIH.

## Animal Use in Research

Finally, I can not overemphasize the importance of animals in biomedical research today. History reminds us of the significant role that animals have played in the development of medical knowledge and treatments--classic examples like polio, penicillin, and insulin come quickly to mind. Others are more current. Without decades of research on retroviruses in animals, we still might not have identified the virus that causes AIDS, the human immunodeficiency virus. The tough question is predicting the next major advance that will come from animal research -- if such progress is allowed to occur.

This Subcommittee is well aware of the passions surrounding this issue, but I want to let you know that, while the biomedical research community has maintained a largely rational and scientific demeanor throughout this debate, we will not be quiet any longer. As you know, some animal rights activists have taken matters into their own hands to the degree where state-of-the-art research facilities are destroyed, professional scientists demoralized, and research grants, possibly funded through the foresight of this Subcommittee, are wasted.

Let me assure you that the JCAI advocates the legal and humane treatment of research animals and the use of alternatives where they are both appropriate and available. However, as much as we would like to be able to rely completely on alternatives to the use of animals, the hard reality is that such alternatives simply do not exist in many of the most critical and promising areas of medical research. It is imperative that researchers continue to have the support of the Congress. The safety of research animals, researchers, and the integrity of biomedical research itself require the strong support and protection of the Congress to promote the advancement of science.

This concludes my formal statement. I would be pleased to answer any questions that the Subcommittee may have.

TESTIMONY OF DR. JAMES S. KAHN

PRESIDENT & DIRECTOR

MUSEUM OF SCIENCE & INDUSTRY

CHICAGO, ILLINOIS

BEFORE

THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR,

HEALTH & HUMAN SERVICES,

EDUCATION & RELATED AGENCIES

APRIL 18, 1990

3:45 P.M.

Mr. Chairman and distinguished appropriations committee members, I appear before you today to continue to encourage you to involve the science museum community in the national AIDS education effort. I serve as President and Director of America's oldest and largest science museum in America, the Museum of Science & Industry in Chicago.

In my testimony before your committee last year I discussed how science museums can play an effective role in AIDS public education efforts. I indicated that science museums host 120 million visitors each year. I stressed that exhibit technology enables us to effectively teach our visitors about often complex and difficult subjects such as AIDS.

Subsequent to my testimony last year, your committee included $2 million to fund science museum AIDS exhibits in the fiscal year 1990 Labor, Health and Human Services and Education appropriation bill. Your Committee requested that those funds be distributed competitively and that they be matched with private funds to leverage scarce federal resources.

The Senate Appropriations Committee did not include funding for this proposed program. In Conference Committee language was included stating that an unspecified level of funding would be made available for the program through the Centers for Disease Control.

In mid-March we were pleased to host a CDC representative at our Museum in Chicago. After a full day of discussion, I believe that the CDC is now aware of the very significant benefits of placing AIDS education exhibits in science museums. They are considering making available approximately $200,000 in fiscal year 1990 to begin planning an AIDS exhibit. This is a small amount of funding but it is a most welcome start.

Mr. Chairman, we would like to make the best possible use of these limited resources. We are currently working jointly with other large science museums to assemble a first rate advisory group and creative exhibit planners. The CDC staff have been very supportive of our effort to lead on this project, and I believe that they share our excitement over the prospect of reaching millions of Americans with critical AIDS education messages.

As soon as the planning funds become available, the ad hoc coalition of science museums expect to complete the plans for a national collaborative AIDS exhibit within six months. Early in fiscal year 1991 we will begin working with CDC to help secure funding to build these exhibits. Multiple and simultaneous exhibition construction should generate economies of scale, enabling us to even further leverage federal and private funding.

The planning stage for a model exhibit will include testing with visitors to ensure message effectiveness. One portion of our AIDS exhibit will anonymously direct interested visitors toward follow-up information on AIDS testing and research. Our Museum's state-of-the-art exhibit on Learning Disabilities and the Human Brain, which recently and unanimously earned an Outstanding Achievement Award from the American Association of Museums, provides us with a proven and successful model for encouraging visitors to seek follow-up information.

As this Committee knows, Mr. Chairman, AIDS has become one of the major causes of morbidity and mortality in the United States. Although there is no known cure for the disease, it is preventable and the virus that causes it has been studied to a remarkably fine detail. The viral genes, and their products, are now the subject of intensive research at the molecular and cellular level. Recombinant DNA technologies are playing a critical role in enhancing our understanding of how this virus fatally perturbs the human immune system. Exciting work to make use of this knowledge will result in the production of effective new drug therapies and vaccines. Until this research is complete and therapies are tested, however, the only effective way to fight this disease will be by prevention.

The national AIDS exhibit will impart basic scientific and medical information to museum visitors. It will also motivate behavioral changes to prevent viral infection. It will describe the fight against this epidemic by highlighting new advances in molecular genetics, immunology and pharmacology. The exhibit will also have a coordinated message that supports active, healthy life styles for children and adults of all ethnic and racial backgrounds.

The HIV virus continues to spread. High-risk communities and the general public must be kept aware of the most recent diagnostic and treatment advances and our government's commitment to discovering a vaccine. Science museum exhibits can serve to transfer ever-changing information from the laboratory to our children and those at risk. The partnership among yourselves, the CDC and science museums can serve to achieve the shared goal of preventing the continued spread of AIDS.

In addition to my written statement, I've included a information which we presented to CDC showing the potential value of science museum AIDS exhibits. On behalf of America's science museum community, I urge you to continue supporting this important and meritorious project. I look forward to continuing working with CDC and Congress to help utilize science museums to help our population take action to reduce the spread of AIDS.

**The National Network**
of Runaway and Youth Services, Inc.
1400 I Street, N.W., Suite 330, Washington, D.C. 20005 (202) 682-4114

# TESTIMONY OF THE NATIONAL NETWORK OF RUNAWAY AND YOUTH SERVICES

FOR THE

SUBCOMMITTEE ON
LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

APRIL 30, 1990

## The National Network

The National Network of Runaway and Youth Services represents over 900 community-based organizations throughout the country as it educates and assists the nation in providing support and services for high-risk youth and their families so they may lead safe, healthy, and productive lives. The National Network urges the members of the Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies to provide increased funding for programs benefiting runaway and homeless youth in FY 91.

## Characteristics and Causes of Runaway Episodes & Youth Homelessness

An estimated 1.3 million American teenagers runaway each year or become homeless. Runaway and homeless youth represent every segment of American life: they are every color, ethnicity, and religion; they are rural, urban, and suburban; they are straight, gay, lesbian, and bisexual; and they came from affluent, poor, and working-class neighborhoods before they ran away or became homeless. Characteristically, they stay within 10 miles of their family's home.

Runaway and homeless are not living on their own to realize dreams of personal autonomy and adventure; they're often leaving desperate situations:

- They're fleeing parental neglect, sexual and/or physical abuse, or other chaotic situations like family violence or parental alcoholism or substance abuse;

- They're forced from their homes by parents who can not cope with their own marital, economic, or emotional problems and find caring for a teenager beyond their capabilities;

- Sometimes youth are troubled and become involved with drugs and alcohol. They feel out of control; they're out of their parents' control and ultimately opt for a "geographic cure," hoping for another chance to save their lives;

- Some are refugees or undocumented immigrants who are living in the U.S. to earn money to send to their families;

- Some youth are separated from their families when the family becomes homeless; and

- As the AIDS epidemic spreads, young people are becoming homeless as their parents and other caretakers become ill and die.

- A lot of these young people were removed from their homes by child protection workers years before due to abuse, sexual exploitation, neglect, or abandonment. Unfortunately, after years of shuffling between foster homes, emergency shelters, and psychiatric hospitals that take Medicaid-funded children for 30 day-assessments, as well as juvenile justice or mental health facilities, too many youth conclude that the streets meet their needs better than the child services systems -- i.e., child welfare, mental health, juvenile justice.

While youth who runaway or become homeless may have had little in common with each other when they were living at home or were in a more stable court-mandated placement, living without adult support and guidance is a great equalizer. Runaway and homeless youth often lack access to things many adults take for granted: bathrooms, places to bathe, warm and safe places to sleep, regular and balanced meals, transportation, and people they can trust.

Consequences of Runaway Episodes & Youth Homelessness

These young people have few skills or life experiences with which to earn a living. Many must rely on "survival sex" just to ensure a place to stay each night or for food, rides, and clothes. They appear invisible to many, because they are disconnected from community life. They lack access to schools, health care, families, counseling services, and other community support systems. Many of them are in need of mental health care due to substance abuse or depression.

Their behavior and life circumstances put them at risk for a number of debilitating problems:

o HIV infection/AIDS. Programs for runaway and homeless youth in New York City report that 7-15% of their clients who have been tested for HIV are infected (Kennedy, 1988). Homeless youth, infected or not, often lack HIV prevention information, the negotiation skills necessary to practice safer behavior, and access to condoms or bleach for needles. Also, the adults who sexually assault and exploit homeless youth are rarely interested in risk reduction and pay youth more if they forego condom use. Too often, because of their profound isolation, homeless youth lack the will to save their lives through less risky behavior.

o Emotional Problems. Suicidal ideation and attempts run as high as 60% among homeless youth. Reported rates of clinical depression among homeless youth range from 29 to 84% (Shaffer & Caton, 1984; Yates, MacKenzie, Pennbridge, & Cohen, 1988).

o Early Pregnancy. In a study that focused on health services to homeless people in 19 cities, homeless girls aged 16-19 had the highest pregnancy rate of any other age group. Thirty-one percent of the 16-19 year olds receiving health services were pregnant, as compared to 9% of the control group used (Wright, 1989). Other service providers estimate the rate of pregnancy for homeless young women is as high as 50%.

- Health problems. Homeless youth are nearly twice as likely to suffer from chronic physical ailments as their non-homeless counterparts (Wright, 1989).

- Drug and alcohol abuse and dependency. Reported rates of substance abuse among homeless adolescents range between 70-85% (Shaffer & Caton, 1984; Yates et al., 1988; Rotheram-Borus, Koopman, & Bradley, 1989).

Preventing or treating these problems is very difficult given the lack of stability in these young people's lives. Just securing shelter on a day-to-day basis and remaining relatively safe from assault is consuming. There is also an increased chance that these youth will become involved in criminal activities as a means to fit in, express their rage, and secure basic needs.

## Barriers to Staying Off The Streets

The 343 federally-funded runaway and homeless youth centers are designed to keep young people off the streets. Stressing family reunification, the centers report that 86% of the youth served in 1989 returned to their families or to an alternative placement (OHDS Family and Youth Services Bureau, 1990). The centers' success in keeping young people with their families means that thousands of youth are saved from the destructive embrace of street culture. Early intervention and reunification also lessens the odds that a teenager will end up in court custody as a client of an already overburdened child services system.

The federally-funded runaway and homeless youth centers are often the first point of entry for troubled youth into the service delivery system. Acting as advocates for these youth, the centers can broker needed child welfare, medical, and social services for teenagers who are fleeing abusive homes or who have become homeless. Although the centers have a long and successful record of helping youth return to their families or to other safe alternatives, too many young people are not being served.

Often programs are full and must turn away teens seeking shelter in order to stay in compliance with state and local licensing. On the average, programs are reportedly forced to turn away one youth for every youth they can shelter. Program expansion is difficult given that federally-funded youth shelters receive annual grants ranging from $22,000 - $150,000. Some programs in rural areas receive as little as $15,000, although they are still required to provide the basic hotline, outreach, and shelter services.

Youth who can not be served have few options. On a random day selected by researchers in the first months of 1987, 2,523 status offenders (e.g., runaways) were locked in public detention facilities; on the same day, 7,811 additional youth were being held in private facilities for status offenses (Allen-Hagen, 1988). Many would argue that this experience hardens young people, increases their alienation, and makes reconnecting with community life more difficult. Safe alternatives to lock-up are needed.

Adult homeless shelters are also inappropriate for these young people. Shelters for the adult population often refuse to serve youth younger than 18 years, and shelter life presents many dangers for teens -- e.g., poor role models, sexual and physical assaults. In addition, there are no services at these shelters to motivate youth to return to their families or schools and to make decisions that will keep them healthy.

The federally-funded centers are allowed to provide emergency shelter and crisis intervention services for up to 15 days. However, some youth need longer periods of assistance and may be forced back on the streets as most communities do not have transitional living services. Of the approximately 68,000 youth served at runaway and homeless youth centers in FY 89, approximately 14% had no planned destination or returned to the streets after their stay. Not having a place to go or any hope of stable living situations keeps many youth from seeking help from centers and other social services.

## Recommendations

The National Network is aware of the seriousness of the budget deficit facing the 101st Congress. However, increased funding today for critical services such as crisis intervention, housing, prevention programs, and transitional living will not only provide youth the opportunities they deserve, but will make a long-term economic investment in our country's future.

**The Runaway and Homeless Youth Act (RHYA)** programs have continued to expand services to help meet the increasing needs of vulnerable youth and their families. However, federal support for existing programs has not kept pace with the need, forcing agencies to turn young people away from services. **We urge you to support a $50 million appropriation for shelter, hotline, and other services defined in RHYA.**

**The Transitional Living Grant Program** is designed to provide residential and other services to homeless youth "to promote a transition to self-sufficient living and to prevent long-term dependency on social services." It is a needed extension of the runaway programs, serving those youth who can not be reunited with their families and have no safe place to live. **We urge you to support a $25 million appropriation for this program.**

**The Drug Abuse Prevention Program for Runaway and Homeless Youth** and the **Youth Gang Prevention Program** provide help for at-risk young people, avoiding wasted years and costly periods of incarceration in jails or hospitals. **We urge you to support a $20 million appropriation for each of these programs.**

Finally, we are very concerned about the numbers of young people who are at risk for contracting the HIV virus. Public health experts predict that adolescents will form the next wave of this epidemic. **We urge you to support adequate funding levels for HIV/AIDS prevention programs, research, and care.**

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New England AIDS Education and Training Center

**WORCESTER**
Statewide AHEC Office
UMASS Medical Center

55 Lake Avenue North
Worcester, MA 01655
(508) 856-3255

April 24, 1990

The Honorable Joseph Early
2349 Rayburn H.O.B.
Washington, D. C. 20515

Dear Congressman Early:

I am writing to request your support for the Administration's FY 1991 budget request of $21.0 million for the AIDS Education and Training Center program. This program was established over two years ago within the Health Resources and Services Administration of the Department of Health and Human Services. The program has statutory basis within Title VII of the Public Health Service, Section 788A.

I would be grateful if you, as a member of the House Appropriations Subcommittee on Health and Human Services, would submit this letter as public testimony in support of the program.

The New England AIDS Education and Training Center (NE AIDS ETC), based at the University of Massachusetts Medical Center, is one of fifteen regional or statewide AIDS Education and Training Centers (ETCs) which were established to provide comprehensive AIDS education to community based health practitioners (particularly physicians, nurses and dentists), to faculty within health professions schools, and to students in medical schools, nursing schools and other health programs. The AIDS ETC program utilizes the expertise of practitioners from the above schools, along with experienced caregivers in the community, to educate more health workers about HIV disease and to increase the clinical skills of those with a basic knowledge of the disease. This expansion is essential to providing appropriate numbers of health care workers for the growing number of individuals with HIV disease.

The NE AIDS ETC primarily offers: 1) workshops and conferences for practicing health professionals and students; 2) intensive clinically oriented "mini-residency" education for physicians and nurses; 3) faculty development programs; 4) train-the-trainer programs; 5) special initiatives for students and residents; along with many other individualized programs. Over 7,600 health care workers throughout New England attended these programs in our first year.

The NE AIDS ETC has also assisted in the implementation and development of educational curricula pertaining to HIV and Health Care Workers, HIV and Primary Care, and Substance Abuse and AIDS. In addition to educational programs,

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Beth Israel Hospital Libby 314
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**NORTHERN NEW ENGLAND**
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a collection of resources and educational materials has been developed for use throughout New England.

During the first year of program operation, the following education services were provided nationally by the AIDS ETC Program:

Aggregate Estimates for 13 ETCs

| Provider Category | Participants Served in First Year |
|---|---|
| Physicians | 31,976 |
| Dentists/Dental Providers | 11,830 |
| Nurses | 59,537 |
| Others | 120,708 |
| Sub-total of Directly Trained Providers | 224,051 |
| Tele-conference Audience | 150,871 |
| Total Estimate of Participants | 374,922 |

This project is a wise use of federal funds in our estimation. It allows us to plan with some degree of rationality the development of new caregivers. The AIDS ETC network now exists so that the latest advances in research to help patients with HIV disease and to prevent the future spread of the HIV virus can be quickly communicated to the health service community. The numbers of participants speak to the fact that we have been successful in getting educational programs out to the states and cities of America.

The Administration's request of $21.0 million for FY 1991 is an increase in funding from $13.5 million in FY 1990. This increase is necessitated by the expansion during the past year to a total of 15 ETCs nationally. The addition of educational programs will take place during the coming year to key, high case prevelance areas in the United States. Further, more programs will be developed and targeted to help practitioners deal with IV Drug Abuse as it relates to the spread of HIV infection; the many AIDS issues facing minority populations in this country, and expanded clinical education opportunities for advanced AIDS care education. For these reasons, we strongly urge your support of the $21.0 million funding level in FY 1991.

Thank you for your consideration.

Sincerely,

Michael E Huppert

Michael E. Huppert, Executive Director
New England AIDS
Education and Training Center

/a
bc: Jan Oliver

## AIDS EDUCATION AND TRAINING CENTER FACT SHEET

- As of March, 1990 125,000 Americans have been diagnosed with AIDS. 75,000 of these people have died. This is equivalent to total combat deaths in the Korean and Vietnam wars combined.

- As many as 10 times that many people are infected with the virus that causes AIDS. Most are expected to sicken and die over the next decade. By the year 2000, more young Americans are expected to die of AIDS than were killed in the Spanish American War, World War I, World War II, Korea and Vietnam.

- This expected, casualty list will put an enormous burden on health care institutions and the care givers in those institutions.

- Because AIDs is a new disease, most health care providers were not trained to care for AIDS patients. About 75% of health professionals completed their professional education prior to the first case of AIDS being recognized. Over 90% finished school without caring for an AIDS patient as part of their training.

- The need for massive retraining is obvious if we are to meet the demand for AIDS patient care.

- Since 1987, 15 AIDS Education and Training Centers (ETC's) have been established to provide AIDS education to the approximately 4,000,000 health professionals who need to be brought up to date on AIDS issues. The entire geography of the U.S. is now covered by one or another of the ETC's.

- Fiscal year 1989-90 funding for AIDS education and training centers was approximately $14,000,000 or about $3.50 per health professional.

- Proposed funding for fiscal year 1990-91 is $21,000,000 or about $5.25 per health professional. This seems minimal given the size of the trainng task that needs to be done.

- Since 1987, the AIDS ETC's have done direct AIDS training for over 225,000 health professionals. In addition, another 150,000 have been reached via teleconferences and satellite education programs.

STATEMENT OF

PLANNED PARENTHOOD FEDERATION OF AMERICA

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON LABOR, HHS AND EDUCATION

APRIL 24, 1990

## Title X/Contraceptive Research and Development Testimony

## House Labor-HHS-Education Appropriations Subcommittee

I am Faye Wattleton, President of Planned Parenthood Federation of America (PPFA). I am appearing today on behalf of the more than 30,000 volunteers and staff who operate our 172 affiliates in 46 states and the District of Columbia, the 300,000 individuals who contribute to our organizations, and above all, the more than 4 million women and men who are served by our clinics each year. I want to thank you and this subcommittee for the opportunity to present our views on the need to strengthen the national family planning program and to expand research in contraceptive technology.

### Family Planning Services

Title X of the Public Health Service Act is the core of our national family planning clinic network that provides subsidized services to some 4 million low-income women and teenagers. Title X remains the only program through which Congress can affect and monitor the reach of family planning services; it provides half of all federal funds for basic services; it serves as the base from which other sources of support -- state and local -- can be derived. From its earliest days, Title X has enjoyed bipartisan support in both houses from members of Congress who embrace the concept of voluntary family planning as a tool to enhance the health and welfare of mothers and children -- and to reduce the need for abortion -- through the prevention of unintended pregnancy.

The plan to reorganize the Public Health Service, which would remove the locus of control of its component programs from the regional offices to the various HHS central offices in Washington, is unnecessary. This effort is being suggested as a way to more effectively manage programs under the auspices of the Public Health Service. Title X has been well managed at the regional level since its inception in 1970. We see no need to alter the system at this time. Please repeat the directive included in the FY 1990 Labor-HHS-Education Conference Report not to reorganize the Public Health Services regional offices.

The Title X program provides basic preventive health services to a large group of medically underserved women. In addition to providing contraceptive services (including natural family planning) and infertility diagnosis, Title X-supported clinics also offer health screening assessments and either simple treatments or referral for anemia, hypertension, cervical and breast cancer, sexually transmitted diseases, kidney dysfunction and diabetes. Clinics such as those financed through Title X often are the initial entry point for low-income women - and especially teenagers - into the health care system.

Yet, despite the accomplishments of the Title X program, a tremendous number of women continue to go unserved. We know that as of 1987, there were approximately 31.8 million low-income women at risk of unintended pregnancy in the United States (that is, sexually active, fertile and not seeking to become pregnant). However, there is a serious, continuing deficiency at DHHS in collecting and analyzing national program data. Information has not been collected or analyzed regarding the numbers of women needing services since 1983, despite repeated promises by the Department that it would do so. Thus, while we know, for example, that 31.8 million women nationwide are at risk of unintended pregnancy, we have no up-to-date information on how many of these women are being served in federally-funded family planning clinics, or even how many clinics are now in operation. During a time of careful attention to government spending, it is critical to have this information both for congressional oversight and in order for DHHS to allocate funds where they will be most efficiently spent. However, we know that, as of 1983, the organized clinic system made family planning services available each year to almost 5 million women, 1.6 million of whom were teenagers and 80 percent of whom were low-income, i.e., below 150 percent of the poverty line. Title X continues to be a major source of funds for this network, comprising 34 percent of the total federal and state expenditures.

The growing need for the contraceptive and basic reproductive health services provided by Title X has been met by a shrinking federal commitment of funds. In FY 1981, Title X was funded at $162 million. The effects of the 25 percent cut later that year and in FY 1982 were severe. Straining to avoid turning patients away, clinics around the country were forced to reduce the scope of their services, especially community outreach to "hard to serve" patients. They have found it difficult to maintain, much less expand, educational programs geared toward adolescents and their parents -- exactly the sorts of programs Congress wants from Title X. A $16 million increase in FY 1984 and an additional $2.5 million for FY 1985 brought Title X funding from $124 million in FY 1982 to $142.5 million in FY 1985. Funding remained frozen at that level for the next two years, and has dropped even further since that time, to below $140 million. Furthermore, two years ago, the transfer of administrative expenses from a general PHS account to the Title X account resulted in a $6 million dollar cut in services.

We urge this committee and the Congress to continue and increase its important investment in the Title X program -- one federal program where a relatively small increase in spending this year results in tremendous savings in health care and social services costs to the government for many years to come. I would like to draw your attention to a new study just released by the Alan Guttmacher Institute (AGI) assessing the value of the preventive health services offered by publicly funded family planning providers, a copy of which is attached. Understandably, at a time when your committee is paying particular attention to programs which are not only beneficial to people's health, but cost effective as well, such a study becomes an important evaluative tool.

According to the AGI study, almost one in four women in the United States who uses a contraceptive method (other than sterilization) obtains it from a publicly subsidized source. Over 90 percent of these women -- 4.1 million -- rely on family planning clinics; the rest, about 400,000 depend on private physicians who are reimbursed by Medicaid. Because neither contraceptives nor the women who use them are perfect, these 4.5 million women experience approximately 430,000 unintended pregnancies a year. What the new AGI calculations show is that, in the absence of government support for family planning services, an average of 1.2 million additional unintended pregnancies could be expected to occur each year among these women, at least four in 10 of which would end in abortion. The new AGI study shows that every public dollar spent to provide contraceptive services saves an average of $4.40 in taxpayer funds that otherwise would have to be allocated towards medical care, welfare and other mandated social services -- an overall total of $1.8 billion in savings annually. Moreover, there are critical individual and social costs which the teen pregnancy program preempts as well; in the absence of publicly funded services, 509,000 additional unintended births and 516,000 additional abortions would occur each year in the United States.

Two Title X reauthorization bills are currently pending before Congress, H.R.930 and S.110. The House bill sets an authorization ceiling of $164.2 million for fiscal year 1991 and the Senate measure calls for $171 million, both representing an increase over last year's appropriation, but still far closer to the funding level for fiscal year 1981 than to the appropriate level for 1991. Given the current budget deficit, we realize that the restoration of funding adequate to meet the need that exists cannot happen overnight. However, it is vital that Title X be funded at the full amount authorized by law. Continuing efforts must be made to bring Title X to funding levels that will ensure the continuation of services now being provided -- and to make progress towards expanding services to the millions of women and teenagers in need who are presently not being served. Clearly, as the AGI study demonstrates, federal investment in less expensive preventive services now will avoid the need for larger outlays for more costly services later.

**STDs & HIV Testing and Counseling**

There is no doubt that federally funded family planning clinics would also be the logical sites for other types of related health care, beyond the wide range of services they already offer. As we have known for years, Title X-supported clinics are often the only source of reproductive health care for a low-income woman or teenager. Certain types of sexually transmitted diseases, such as chlamydia and the human papilloma virus, which can lead to infertility and cervical cancer respectively, could be treated before becoming disabling or deadly if every family planning clinic could afford to offer such services.

In addition, former U.S. Surgeon General C. Everett Koop and other public health officials have recommended that family planning clinics help provide AIDS testing and counseling services, especially to HIV-positive women who may become pregnant. Nonetheless, if family planning clinics are to be able to address these additional needs, it is obvious that additional funds for this purpose are required. Last year, the Senate appropriations bill contained a "pediatric AIDS initiative," which specifically targeted an additional $10 million to family planning clinics for HIV counseling and testing. Although that effort was unsuccessful, we request that the extra $10 million in new funds be reinstated in this year's legislation, and that it be directed to the existing network of family planning clinics around the country.

**The "Gag Rule"**

Looking beyond the statistics and the proven record of accomplishment of Title X-supported programs, I believe the time has come to question the motives and the illogical proposals of those who, explicitly or not, seek to destroy the current national family planning effort. These attacks, and calls to curtail or eliminate the delivery of family planning services, come almost exclusively from organizations whose primary stated mission is to criminalize abortion. Is it possible that they don't realize that eliminating the Title X program would lead to an increase in abortions? That deterring teenagers from seeking contraceptives by imposing parental consent or notification requirements would lead to still more pregnancies among teenagers and more abortions? That excluding medically responsible individuals and organizations from the Title X program or from contracting for delivery of family planning services at home or overseas will lead only to more abortions?

We commend the members of this committee and you, Mr. Chairman, for having resisted riders that would have prohibited family planning clinic personnel from giving their patients confronting an unintended pregnancy full information about their legal medical options. Nevertheless, contrary to congressional intent, in 1988 the Reagan administration issued regulations barring Title X-funded clinics from providing any women who so request it information, counseling, or referrals regarding their options when facing an unintended pregnancy. These regulations were opposed in comments filed by 36 state governments, 78 national organizations (including every major medical association) and the deans of all 25 schools of public health in the country, and have been enjoined by two federal district courts.

Congress has spoken on this matter before. However, we ask that you speak once again, this time in the committee report on the Labor-HHS appropriations legislation you are now preparing to consider. By reiterating congressional intent, you protect each woman who seeks information through a Title X funded clinic, ensuring that she receives the same medical information that someone who can afford a private physician receives.

## Teenage Pregnancy

While divisions on the question of abortion may persist, I submit to you that we must all work together in supporting the means to reduce the need for abortion. Title X is the most tangible vehicle the federal government has for approaching that goal, both for low-income women and teenagers, although another program often linked politically with the Title X legislation, the Adolescent Family Life program (AFLA), was set up as a series of demonstration projects to test the efficacy of telling teenagers to "just say no." Since fiscal year 1987, appropriations for this program have fallen from 14.5 million to 9.5 million last year. We understand the committee's reluctance to fund this program and note that the Senate is currently considering a much more realistic and better conceived program to address the problems and needs of teenagers seeking to avoid pregnancy, as well as pregnant and parenting teens. Should this measure, S.120, become law, we hope that the committee will give careful consideration to its funding needs.

## Contraceptive Research and Development

Similarly, we urge you to give careful consideration to increased support for population research, specifically authorized under Title X and Section 301 of the Public Health Service Act, and to place particular emphasis on applied research leading to the development of new and better birth control products, and on research designed to evaluate the safety and efficacy of existing methods. The inadequacy of available contraceptive methods is reflected in the fact that more than half of the approximately six million pregnancies that occur each year in the United States are unintended. Moreover, women in the United States are limited in their contraceptive options compared to women and couples in other countries.

Of 36 million American women who are seeking to avoid pregnancy, three million are using no contraception, and another three million are using the least effective methods. A study published last summer by The Alan Guttmacher Institute showed that, even among those women using the more effective methods, contraceptive failure rates were much higher than generally thought. The most common reason cited for using no method is the fear of possible side effects, despite an increasing body of research proving the safety and efficacy of several major methods. It is critical that further studies be pursued to identify and counteract the specific risk factors that do exist.

At the same time, intensified research in the development of new and improved methods of contraception could greatly enhance our ability as a society to lower the staggering 55 percent incidence of unintended pregnancy that still exists in this country today.

We understand that the Food and Drug Administration has before it a unanimous recommendation from its Fertility and Maternal Health Drugs Advisory Committee and may soon give its formal approval for the use of Norplant -- a subdermal contraceptive implant -- in this country. Yet there are nearly 100 new varieties of contraceptives at various points in the R&D process around the world, including several at NICHD. Some companies even have products ready for field trials, but cannot get the insurance so that testing may proceed. With half of the pregnancies in this country unintended, the narrowing of effective choices of contraception constitutes a national tragedy.

There will probably never be a single perfect contraceptive, since individual circumstances change over a lifetime, as do family planning goals and attitudes. Yet in spite of the universal interest in better contraception, federal support for development of new or improved methods, as well as for the evaluation of the safety and effectiveness of current ones, has actually declined since FY 1981. A recently published report by the National Research Council and the Institute of Medicine, Developing New Contraceptives: Obstacles and Opportunitites, revealed a range of obstacles currently facing contraceptive research, development and marketing in this country. Prominent among them are insufficient and unstable funding, which has declined worldwide by about 25 percent in real dollars since the mid-1970s; the high cost of liability insurance for contraceptive products, which together with the virtual impossiblity of obtaining insurance for clinical tests on humans, is leading to a near-paralysis of research into new methods; and the complex premarketing requirements and regulatory procedures of the FDA which delay approval of many methods for use in the United States. Not surprisingly, only one private pharmaceutical company in this country remains in the business of conducting contraceptive research and development directed towards the United States market. These obstacles may be daunting, but hopefully they are not insurmountable. Among other recommendations, the NRC/IOM report suggested that since there has been "a flagging commitment to contraceptive development in the United States," that the federal government "should increase funding and adopt arrangements that provide long-term stability for priority research projects."

Title X currently authorizes biomedical research in the reproductive sciences, social and behavioral studies, contraceptive development and contraceptive evaluation. The National Institute of Child Health and Human Development (NICHD) administers all these areas of research, which together are presently funded at approximately $128 million (only a tiny fraction of the total NIH budget) and with only $8 million specifically targeted to contraceptive development. Perhaps part of the reason this area of study receives such a low priority at the National Institutes of Health (NIH) is that NIH is primarily disease-oriented, whereas research of this type mainly benefits healthy people. The irony, of course, is that the strides we are able to make as a society in this field directly touch the lives of virtually all Americans, not to mention the rest of the world, for which NIH is the major source of research in contraceptive technology and development.

As you have recently heard from administration testimony, NICHD continues to state that its Contraceptive Development Initiative is a priority. However, prior funding commitments may make that initiative less a reality than planned. Mr. Chairman, we need new methods of contraception. And we need to reassure ourselves about the safety and efficacy of current ones. We applaud NICHD's efforts in this area. At the same time, we strongly urge you to endorse a specific increase of $10 million for applied research in contraceptive development and evaluation, either through an earmark or committee report directives.

Recommendations

In conclusion, Mr. Chairman, Planned Parenthood respectfully makes the following recommendations to the subcommittee:

- First, that the Title X family planning program be funded at the full amount authorized by law for fiscal year 1991, in order to ensure, at a minimum, a continuation of the vital services now provided, and, hopefully, to begin to expand services to the millions of women and teenagers in need of services who currently are not being served;
- that additional funding for HIV testing and counseling be targeted to family planning clinics as provided in last year's "pediatric AIDS initiative";
- that the Committee reiterate its intent that women seeking information about managing an unintended pregnancy in a federally supported family planning clinic be given nondirective counseling about all their legal options and referrals on request; and
- that a special supplementary fund of $10 million be provided specifically to boost the contraceptive development initiative already outlined by NICHD.

Thank you.

# STATEMENT
of the
# AMERICAN ASSOCIATION OF NEUROLOGICAL SURGEONS
and the
# CONGRESS OF NEUROLOGICAL SURGEONS

to the

Subcommittee on Labor, Health and Human Services,
Education and Related Agencies
Committee on Appropriations

United States House of Representatives

Presented by

Merwyn Bagan, M.D.

RE: Funding for the National Institute of
Neurological Disorders and Stroke

The National Institutes of Health

April 24, 1990

Mr. Chairman, members of the subcommittee, I am Merwyn Bagan, M.D., a practicing neurosurgeon from Concord, New Hampshire. The American Association of Neurological Surgeons and the Congress of Neurological Surgeons have developed a basic and clinical research agenda for the next ten years in conjunction with the Congressionally designated "Decade of the Brain. We are convinced that there has never been a more propitious moment for a major scientific assault on diseases of the central nervous system. With additional funding we can take the existing body of knowledge and make a dramatic difference in alleviating pain and suffering while reducing health care costs.

In this, the first year of the Decade of the Brain, we have identified head and spinal cord injury research and increased support for stroke research as our highest priorities. Incidentally, the findings of the Interagency Task Force Study on Head Injury which this Committee directed to be done, is a source concerning the severity of the problem and possible research solutions. The leading cause of disability and death is not AIDS, cancer, heart disease -- but trauma. Head injury constitutes the leading cause of death and disability to our citizens 40 years of age and under and costs billions of dollars to our society because of the prolonged disability associated with head injury. Not only is the cost overwhelming, but the emotional suffering, loss of self-sufficiency, and indeed dignity is devastating.

We, therefore, recommend that this Committee create five new multi-disciplinary/multi-institutional centers whose research effort will be directed to the restoration of function of head and spinal cord injury patients. In addition, we propose that each center have a training function. We propose that the centers be funded at $1,000,000 each per year for five years, with an additional $125,000 per year for five years for a training component.

We further recommend that you provide for 3 additional stroke centers. Neurosurgeons have much to offer the treatment of stroke in the development of methods to protect the brain following a loss of blood flow. We are concerned with the treatment of vasospasm, a damaging consequence of a ruptured cerebral aneurysm. Although our techniques of surgery have improved, the difficulty in treating vasospasm remains one of the large unsolved problems of caring for those citizens with aneurysms. With additional support we anticipate that advances can be made in this area. We suggest these new centers be funded at the levels previously set the for existing stroke centers. We strongly recommend, however, that the newly funded centers have support for a training component.

Mr. Chairman, our VISION FOR THE FUTURE for the next ten years in basic research is as follows:

I. The Study of the Growth, Movement, Senescence and Death of Brain Cells During Development and Repair.

This research relates strongly to the expression of chemical substances from a cell during injury. The topic is relevant to transplantation research and the implantation into the brain of polymers impregnated with proteins capable of promoting growth, repair, and movement. The chemical expressed from the cell during development is different from that expressed during injury. The intent is to use that chemical expressed during development to repair the brain. The ability to promote such growth and repair in a controllable fashion would be of direct importance to trauma, rehabilitation, spinal cord injury and degenerative disorders of the nervous system.

## II. The Neurobiology of Cerebral Ischemia.

This topic includes studies of the effects of excitatory transmitters, the role of calcium channels, and other issues of cell economy in the death and injury of brain cells following a loss of circulation. Of course, the study of mechanisms of damage directly relates to the discovery of new means of chemical protection for the brain. Brain protection will become a much more important issue during the administration of new thrombolytic (clot dissolving) agents such as TPA (tissue plasminogen activator) in the acute treatment of stroke and during the acute treatment of trauma. There also are interesting new findings in regard to the manner in which brain cells interact after ischemia and the means by which cell networks become damaged. This work would have relevance to cerebral palsy and other spastic conditions.

## III. Integrative Neurophysiology and a Map of the Brain.

Neurosurgeons are uniquely equipped to perform research in animals and humans that ultimately will provide a better understanding of higher brain function and a general improvement in the safety and efficacy of techniques in trauma, stroke, and the surgical removal of brain tumors. New techniques are being developed by neurophysiologists to use electrically sensitive dyes and other means in order to provide an instantaneous view of entire populations or groups of cells while the brain is actively engaged in a task such as thought or movement. Prior to the advent of PET scanning, MRI scanning, and the newer neurophysiologic methods alluded to above, neurosurgeons often were involved in studying cognitive brain function during epilepsy surgery. The neurophysiological and psychological assessment of cognition is becoming more important in the rehabilitation of neurologically damaged patients. A functional map of the brain should prove just as revelatory and important for the future of mankind as mapping man's genetic endowment.

## IV. Oncogenes and Growth Factors.

The advent of molecular biology has clarified many of the fundamental issues involved in the study and treatment of tumors throughout the body. Nowhere are such advances more necessary than in the case of primary tumors of the brain. It is now clear that patients who have these deadly lesions are suffering from tumors with identifiable chromosomal abnormalities, carrying genes that produce growth factors capable of initiating and sustaining unrestrained growth. The future chemotherapy and immunotherapy of brain tumors will be largely tied to our ability to target oncogenes or the growth factors they produce or the receptors with which the growth factors interact.

V. New Strategies to Manipulate the Brain Chemically.

In a wide variety of disorders, including primary and metastatic tumors of the brain, degenerative disorders and inherited neurologic diseases in children, the primary limiting factor of therapy has been our inability to circumvent the bloodbrain barrier, the specialized capillary cells of the brain which prevent entry of foreign materials from the bloodstream into the brain. With the advent of special polymers (capsules created by chemical engineering) that can be locally implanted, the development of tissue transplantation techniques as well as other methods should allow us to create specific "windows" in the brain into which healing substances can enter for the treatment of a wide variety of disorders.

In the area of clinical research, OUR VISION OF THE FUTURE is for the following:

I. Back Pain.

The economic loss sustained by the individual and society is staggering considering the disability benefits and the loss of salary when one has back pain. Despite this, we have no clear view as to the most appropriate treatment. Those who enter the realm of the "failed back syndrome" are lost forever as productive members of society. We need to design and establish programs to evaluate the treatment of back pain and obtain data regarding the actual outcome so as to improve the probability of the injured returning to work.

## II. Chronic Pain.

At this time there is practically no funding for pain research involving humans. Yet we should be able to determine what changes occur in the nervous system in those patients with chronic pain. This might involve not only electrophysiologic recording techniques but also scanning techniques showing the activity of the brain. We need to fund clinical studies of the various therapeutic modalities for treating chronic pain. Large amounts of money are being spent using techniques which have never been scientifically validated and which might be ineffective in their application.

Mr. Chairman, in closing, I would like the Committee to know about the Head and Spinal Cord Injury Prevention Program funded by the American Association of Neurological Surgeons and the Congress of Neurological Surgeons. It is aimed at the high risk 15-21 year old population. Each year 10,000 spinal cord and 500,000 head injuries occur causing immense human suffering and staggering financial costs. This year we expect to reach 350,000 students and hopefully influence attitude and change behavior about speeding and daring, careless swimming habits, driving recreational and farm vehicles, wearing seat belts, and using alcohol and drugs. We are encouraged by the results the program has achieved already and hope to reach more than 4,000,000 high risk young people a year by 1999. We also have a Research Foundation that supports neuroscience investigators. During the next ten years, we fully intend to expand both programs and develop new ones aimed at public education and prevention. This is by way of saying we believe the "Decade" should be a partnership between government and the private sector.

Thank you for your continued interest in and support of biomedical research.

# STATEMENT OF WILLIAM J. LUCCA, JR., EXECUTIVE DIRECTOR

COMMISSIONED OFFICERS ASSOCIATION
OF THE U.S. PUBLIC HEALTH SERVICE

BEFORE THE

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN
SERVICES, EDUCATION & RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES
MAY 1, 1990

Mr. Chairman and Members of the Committee, I appreciate the opportunity to present the views and recommendations of the Commissioned Officers Association (COA) on a provision in the Department of Health and Human Services (DHHS) FY 1991 Budget. We believe that this provision is discriminatory against the Commissioned Corps.

The proposal in the FY 1991 BUDGET APPENDIX, together with discussions and recommendation, follows:

A-734, Section 208 - Ceiling on Salaries

Section 208 places a bar against the use of appropriated funds in FY 1991 to pay salaries to Corps Officers at a rate that exceeds 110 percent of the Executive Level I annual rate of basic pay.

The Congress concurred with OMB's bar in this regard in FY 1990; however, the COA recommends against the adoption of such bar in FY 1991 on the grounds it could deter uniquely qualified medical researchers from joining the Commissioned Corps. Also, we wish to point out that such bar places the Commissioned Corps at a distinct recruitment/retention disadvantage in competing for federal medical specialists and researchers since this bar has not been imposed in the military pay structure. As a member of the Unformed Services, the Commissioned Corps views this bar as discriminatory and without justification.

Recommendation: That the Committee reject the proposed pay provision.

Mr. Chairman, the COA appreciates the serious work that underlies the Committee's appropriations process that funds federal health activities. We are hopeful that you will accept our recommendation on the budget proposal discussed in this statement.

# TESTIMONY
# OF
# THE ASSOCIATION FOR GERONTOLOGY IN HIGHER EDUCATION

ADDRESSING
FY 1991 BUDGET ALLOCATION FOR
TITLE IV OF THE OLDER AMERICANS ACT

SUBMITTED TO
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

MAY 1,1990

Chairman Natcher and distinguished members of the subcommittee, this testimony is being submitted on behalf of the Association for Gerontology in Higher Education (AGHE). We are a non-profit membership organization of over 300 colleges and universities throughout the United States which provide instructional and research programs in the field of aging.

For the past several years we have provided testimony to your subcommittee on behalf of the research and training budgets of several federal aging-related agencies. **This year we are focusing our attention only on Title IV of the Older Americans Act, which is administered by the Administration on Aging (AoA).** We are addressing this program alone because it has suffered the greatest funding cuts over the past ten years of any of the federal aging programs. It is time to rectify past actions.

I. An overview of what has happened to Title IV over the past ten years.

A. Since the beginning of the Reagan Administration ten years ago, the Title IV discretionary program has been the stepchild of AoA, with a lack of Administration support for funding and a lack of clarity about the basic purpose and function of Title IV. Never once during the eight years of the Reagan Administration (or the first year of the Bush Administration) was there a request for an increase in appropriations for Title IV by the Administration. Either the budget request sent to Congress was for an elimination of Title IV funding or for a dramatic reduction in funding. Fortunately, Congress did not comply with these requests; Title IV funding was not eliminated entirely. In addition, your subcommittee has been consistently willing to provide report language to the appropriations bills which have attempted to clarify the purposes of Title IV funds, and this has been extremely helpful.

B. Throughout the past ten years the top leadership of AoA has not been consistently committed to funding agencies which are in a position to provide on-going services to older Americans once Title IV support ceases. There has been a continuing pattern of funding agencies, organizations, and institutions which have no track-record of interest in aging or gerontology nor any evidence of long-term or continuing commitment to the field, with the result that there have been many instances of a lack of "institutionalization" of the programs supported by Title IV. Once the grants end, the agencies' interest in aging often ends, as well.

C. There has been a lack of advocacy on the part of top AoA staff for the Title IV programs. One evidence of this is a continuing lack of clear, coherent reporting of the use of Title IV funds to Congress or the aging community, with a resulting uncertainty among Members of Congress as to the value of these programs. A typical question raised by Congressional staff is "What good has come out of Title IV? Why should we either continue to appropriate money for these programs or even increase the funding?" This is a valid question. We strongly argue that the problem has rested not in the Title IV program as it is described in the Older Americans Act, but rather in the managing of this program by recent Administrations. Fortunately, your subcommittee has been unwilling to throw the baby out with the bath water; you have kept a minimum level of funding for Title IV in response to appeals from the aging community that this is a worthwhile program.

D. For the past ten years, because there have been dramatic reductions in Title IV appropriations, there have been some necessary refocusing of priorities within AoA as to which programs would be continued and which would be eliminated. As a result, there has been a heavy emphasis on training and demonstration, and a dramatic de-emphasis on education and research. This shift in emphasis has resulted in great hardships among the education and research community.

Title IV of the OAA is the only federal program which is available to provide support for undergraduate education in gerontology, one of the few available for non-medically or non-health-oriented programs, and the only source of funding for applied research in the social and behavioral sciences. It has been a crucial program in the historical development of the field of gerontological education and research, and the disappearance of funding in this area ten years ago has been extremely difficult for the 1200 colleges and universities in this country with aging-related instruction and research.

E. Since the early 1980s the higher education community has been continually and increasingly excluded from being an active player in the Title IV discretionary program. The focus has been on community-based agencies and lately on State and Area Agencies on Aging. This is probably due to some extent because, with so little Title IV money available, AoA felt a greater commitment to its own "aging network," and less commitment to support the education, training, and research programs within academic institutions.

An example of this clear non-support of higher education can be found in the current Title IV program announcement which lists 23 priority areas and sub-areas. Of these, 10 are limited to applications from State Units on Aging (SUAs) and Area Agencies on Aging (AAAs); 2 are primarily targeted to SUAs and AAAs; 5 are targeted to other types of organizations (but not higher education); 3 are available to any applicant; and only 3 are targeted to higher education. Of these 3, proposals in one area (4.2) must show a partnership with a SUA or AAA, and proposals for the remaining two (7.1A and 7.1B) are primarily targeted to minority institutions. There is no priority area that is available exclusively to grantees from non-minority higher education institutions.

## II. Current Condition of the Title IV Program.

A. Title IV has a very low appropriations level, currently $25.332 million, with an additional $1 million for a possible White House Conference on Aging. The peak year of funding for

Title IV was $54.3 million in FY 1980. This program has suffered a 53% reduction in real dollars in ten years. In inflation-adjusted dollars the reduction is much greater.

B. The Administration on Aging is able to provide little evidence of the tangible benefits of the past 10 years of Title IV funding; no Administration case has been made for the importance of these programs. In spite of the hundreds of valuable programs supported in the past ten years, there is no "library" or "clearinghouse" of AoA products. AoA does not even have a systematic record of these products. There has been neither the will nor the means to maintain such a clearinghouse. AGHE currently has a contract with University Microfilms International to collect, review, and maintain a collection of unpublished training materials in the entire field of gerontology and geriatrics. This collection, in addition to our larger library of textbooks and other publications, contains hundreds of valuable products of Title IV-funded programs. These products must be given visibility, not only to Congress, but also to the broader aging field. With the current level of Title IV funding, that has not been possible.

C. After ten years of neglect, there is a great need for federal support of aging-related education (not simply training) and research (not simply demonstrations). This country's investment in the training and education of personnel to provide services to older Americans must be reaffirmed. It is an axiom that when untrained personnel care for the elderly, their ignorant, negative stereotypes become institutionalized, resulting in inappropriate treatment of the elderly. Likewise, the scarcity of applied research investigations which will have practical implications for the improvement of aging services is inexcusable.

## III. Recommendation for Title IV Appropriations.

**This Association recommends a dramatic increase in appropriations for Title IV from the current level of $25.332 million to $50 million.** We offer three justifications for this increase:

A. There is a new Commissioner on Aging and other top leadership at AoA in 1990, and there are indications that this new leadership will bring positive changes to all of the Older Americans Act and specifically to Title IV programs. Joyce Berry has evidenced through the years strong support of higher education and of quality education, training, and research programs. We believe that she will be an advocate for all Administration on Aging programs, will exercise good judgment in funding Title IV programs that will having lasting impact on the lives of older Americans, and will be responsive to requests from Congress and the larger aging community for information about Title IV programs.

B. It is time to recoup some of the major reductions suffered by Title IV during the past decade. Because of the mood of the Reagan Administration and the attempt of Congress to work with that Administration, many domestic programs have suffered.

In the field of aging, clearly Congress has chosen to prioritize spending for the service delivery components of the Older Americans Act. The resulting cuts in the long-term investment in research and education must now be addressed. It is time to begin.

C. The "peace dividend" which can result from reductions in military spending provides an exciting opportunity for Congress. We are well aware of the budget deficit and the move to use the "peace dividend" to eliminate that deficit. We urge your subcommittee to seriously consider directing a considerable portion of the "savings" resulting from the proposed decrease in the defense budget toward the restoration of domestic programs such as Title IV of the Older Americans Act. This is a valuable program which has served well older Americans and the programs and services designed to improve the quality of their lives. We ask that you provide the appropriations which will make it possible for Title IV to produce its intended benefits.

D. This Association supports a 1991 White House Conference on Aging and urges Congress to appropriate sufficient funds to plan and implement such a conference. A token increase to Title IV in FY 1991 will not make available the resources needed to fund this conference.

# Testimony of Covenant House to the House Subcommittee on Labor, Health, Human Services and Education

prepared by

Lisa R. Bambino, Esq.

Covenant House

As a privately-funded shelter which annually provides services to 25,000 homeless and runaway youths under the age of 21 in the United States, Covenant House respectfully submits this written testimony to the House Subcommittee on Labor, Health, Human Services and Education with regard to the appropriation of monies pursuant to the federal Runaway and Homeless Youth Act for homeless and runaway youths. The purpose of our testimony is to inform you about the homeless youths we work with on a daily basis and in particular, one of the programs, Rights of Passage, by which we at Covenant House have sought to address their special and more long-term needs. Our intention is that the thoughtful consideration of this testimony will prompt a substantial commitment of resources by the federal government to programs, especially transitional living programs, that seek to provide solutions to the problems of a most desperate population.

For twenty years, our work at Covenant House has brought us face to face with some of the most troubled youths in America: those who have been cast adrift on the streets and forced to invent ways to survive and to find reasons to go on surviving. These are youths who already have lived on the streets for several years, who most likely were abandoned to the foster care system at an early age and who may be suffering from AIDS. These are youths who often have run from physical and sexual abuse and who now call the street home. Indeed, the majority of Covenant House residents are inner-city, troubled kids with few, if any, social or emotional resources. The common thread among them is that they are from single-parent and unmarried families who are poor, that they have been subjected to physical and/or sexual abuse, and have grown up in a household where substance abuse is frequently a problem. Usually to their detriment, almost all have been exposed to the mazes of the juvenile justice or social welfare systems.

While we have sought to care for these youths through our programs, the systemic reasons for the homelessness and abandonment of these youths to the streets unhappily appear only to have multiplied and the situation only seems to have grown worse.

1990 finds one in five American children, or thirteen million, living in poverty and without health insurance. Foster care systems in cities such as New York and Washington, D.C. are bursting at the seams from a combination of new and old causes: drugs, abuse and neglect, families torn apart by housing crises, and the lack of services that work to preserve families. Crack has decimated the family structure. Consequently, it is no surprise that according to a recent study, 18 percent of the homeless persons in New York City were unaccompanied minors.

Youths living on the street face a plethora of problems. Many have never finished school and are swept up in drug trade, prostitution and pornography in order to stave off hunger. Substance abuse often provides a way to escape the ever-present pain of loneliness and isolation intrinsic to street life. Young people on the street begin using alcohol and other drugs at about age 11 or 12. A random survey of 155 files in the Covenant House crisis shelter in New York during March, 1989 revealed that 41 percent included references to serious drug-abuse problems. A random study of 50 medical charts in our health services department a few weeks later revealed that 60 percent of the youths had identified themselves as drug users. Cocaine or crack use was admitted to by 36 percent, a figure almost certain to be well below true use levels. A study of 1176 youths under age 21 in residence at Covenant House Florida during the summer of 1989 show that almost half (44 percent) of the youth have used cocaine, crack or crank at least once, and fully 16 percent had used some form of cocaine during the past 30 days and 9 percent reported current daily use. Even more tragic, 19 percent of the 149 pregnant or parenting girls reported crack use during the previous year and 12 percent in the past 30 days.

Increasing numbers of homeless youths have psychiatric and emotional disorders and emotional disorders which are manifested in acts of violence against others as well as themselves. A study of Covenant House youths in 1984 revealed that 82 percent were so depressed and disturbed by their condition that they could be considered to have a "significant psychiatric disability." One in four had previously attempted suicide. Sadly, these youths face extreme health risks such as physical violence, pregnancy, AIDS and other sexually transmitted diseases. Indeed, an ongoing study of HIV sero-prevalence among Covenant House residents has shown a population-wide sero-prevalence rate of just over 7 percent. Certain sub-groups, particularly males who are 18 and over have a much higher rate of sero-prevalence approaching 12 percent.

Since 1972, the programs, staff and volunteers at Covenant House have served as a lifeline to those youth who find themselves living on the streets. In New York, Houston, Fort Lauderdale, New Orleans, New Jersey, Anchorage and Los Angeles, Covenant House responds on an open-intake basis to the immediate and basic needs of such adolescents for food, shelter and clothing, 24 hours a day, 365 days a year. In addition, Covenant House programs offer health care services, psychiatric counseling, and legal, social, drug abuse prevention, educational, and vocational services; since 1972, Covenant House has provided such services to more than 144,000 young people, mostly ages 12-20.

The needs and experiences of these youths are complex and problematic, whether they are running from abuse or are throwaways. In order to meet their needs, Covenant House has designed and attempted to implement comprehensive and innovative programs such as outreach van units, which seek out children living on the streets and in makeshift shelters; substance abuse prevention and treatment projects; transitional living programs for highly-motivated youths; and a long-term residential and support services unit for youths who are diagnosed as HIV-positive and who may be suffering from AIDS or AIDS-related diseases. We also established residential centers for homeless teenage mothers and their children -- as a Tulane University study showed, the pregnancy rate among adolescent homeless females is astonishing, 14 percent among 13-15 year olds and 31 percent among 16-19 year olds. In addition, in 1987 we launched a national toll-free hotline, the "Nineline," which provides guidance and counseling to troubled youths and their families in hopes of reaching them before the family structure disintegrates.

Crisis shelters are not the answer but hopefully may serve as a temporary stop on a continuing journey toward a stable and productive life. Transitional living programs have proven to be successful at preventing homelessness. In response to an overwhelming need by older youths for housing, education and longer-term care, Rights of Passage, a transitional living program, was established in New York, Fort Lauderdale, Houston, New Orleans and Anchorage. The Rights of Passage program is designed to provide homes for those youths who are enrolled in college or who have entry-level jobs and are preparing for independent living. A key component of the Rights of Passage is the mentor program, in which each youth is assigned an adult mentor, a volunteer who will advise her or him on issues ranging from career planning to social decision-making. During their twelve- to eighteen-month stay, the residents form trusting relationships with staff members and their individual mentors, the building blocks for success. The staff and mentors encourage the youths to reflect upon their lives, determine the areas in which there is need for improvement, and set realistic goals for the future. Assistance such as counseling and educational/vocational aptitude testing, independent living skills classes, parenting classes and other support while in the program are available to ensure that the residents have the maximum opportunity to achieve full independence at the conclusion of their stay. The program also offers child care to parenting residents.

The young women and men in the program, aged 18 to 21, are selected from among our crisis center populations, and are chosen on the basis of their motivation and willingness to make a long-term commitment. An alternative to this procedure is the "Genesis" program. The Genesis program is essentially a screening process whereby young people may apply for admission to the Rights of Passage program directly; they then undergo a thirty-day trial, to determine whether they are ready to commit to a long-term program.

After admission, the employment section of the program then matches the resident with an appropriate entry-level position, a first step on the career path. At intake, of those employed, over 50% were earning the minimum wage and only 10% were earning more than $6 per hour. When the residents leave, only 20% are earning the minimum wage while over 75% are in the higher earning bracket.

For those who wish to increase their educational level, the program devises individual education plans, whether they are for the resident to take a course to obtain a high school equivalency diploma or attend college. About 15% will have some college education by the time they graduate from the program, as opposed to the 5% at intake.

Finally, the program assists youths to find a place to live when they leave the program; the former resident then becomes a member of the aftercare program. In aftercare, further support is provided, such as help with budgeting and interfacing with employers, to help smooth over the final hurdles the youths face in adjusting to life on their own.

The Rights of Passage program works; there are more than 150 graduates at the New York site alone. They are off the streets and are getting on with their lives, becoming productive members of society. It is imperative that equivalent programs be available to all the vulnerable young people who need them. It is a sad fact that Covenant House and all the other private charitable organizations combined cannot fill that need.

In working with more than 25,000 youths a year, Covenant House acutely experiences the staggering dimensions of the problem of homeless youth. Although Covenant House has been able to continue its open intake commitment, there were at least 19,400 youths nationwide who had to be refused shelter at crowded centers in 1988. For example, Covenant House recently assisted with an assessment of the Phoenix, Arizona area which revealed in an estimate of 1400 young people under the age of 18 who are on the streets each night. There are 11 beds available. By remaining on the street, these youths risked continued exposure to drugs, street violence, involvement in pornography as well as prostitution and the associated risk of HIV infection. Even if some of them decide to return home, they are not necessarily safe there. According to a study undertaken at Covenant House in conjunction with the Office of Juvenile Justice and Delinquency Prevention, at least 45% of our residents have been physically or sexually abused in their homes, by either a parent or step-parent.

There has to be an alternative. There must be safe havens for endangered youths--places where they can receive necessary counseling and assistance. These shelters and transitional living programs must offer services to help youths identify and attain solutions to the problems that forced them onto the street so that the self-destructive urge that many youths have--to return to the "no rules" life that they endured on the street--can be overcome. This is a challenge that the public and private sector together must acknowledge and undertake.

The commitment of the federal government to such youths is important to us at Covenant House not as a matter of theory or politics, but as a matter of survival, the survival of vulnerable teenagers and young children who find themselves cut off -- sometimes temporarily but often permanently -- from their families and exposed to the most dangerous currents of street life in urban America. Without a commitment from the federal government at the very least comparable to that from the private sector, America faces a continuing deterioration of the minds, bodies and spirits of its youth.

Society simply cannot afford to throw away the talents, and indeed the lives, of its young people. But if current trends continue, this will happen because by the year 2000, millions of children will have spent part of their childhood homeless.

We strongly urge Congress to take the lead and appropriate sufficient funds to support transitional living programs and to finance innovative runaway and homeless youth programs for runaway and homeless youths. It is important to ensure that the programs are both of high quality and widespread, so that we can reach out to the young in the areas where they are -- the decayed core of our inner cities.

Of course, such a commitment is going to cost money. For example, our New York shelter, where last year we cared for more than 8000 youths who sought our services, and sheltered an average of 350 youths each night, cost 16 million dollars. Our New York Rights of Passage program, which served an additional 150 youths, cost 5 million dollars. Of the total amount, 93 percent came from private donations, people who chose to invest in America's adolescents. While there are no quick, easy solutions, Congress must make the necessary first choice a choice of values. Just as we attempt to communicate a structure of values to the youths who we serve, Congress needs to choose to invest its resources in those under-valued youths our systems have served so poorly in the past. Our youth need to come first rather than last.

We applaud the efforts of this Committee in considering the needs of runaway and homeless youths, especially those ages eighteen and over, who are often characterized as "too old" to receive assistance from many programs for homeless youths. We support a substantial increase in the appropriation for the federal Runaway and Homeless Youth Act, and especially a substantial increase in the appropriation of funds for grants for transitional living programs for youths ages 16 to 20.

We thank you for the opportunity to give testimony on behalf of the children and young people who we serve and we extend to you our offer of assistance in the future.

*The Society*
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# STATEMENT OF
# THE SOCIETY OF TEACHERS OF FAMILY MEDICINE
# BEFORE THE SUBCOMMITTEE ON
# LABOR, HHS AND RELATED AGENCIES
# SENATE COMMITTEE ON APPROPRIATIONS
# REGARDING
# FUNDING FOR FAMILY PRACTICE
# TRAINING PROGRAMS

Submitted by
DAVID D. SCHMIDT, MD
PRESIDENT
THE SOCIETY OF TEACHERS OF FAMILY MEDICINE

The Society of Teachers of Family Medicine is the professional organization representing family medicine educators throughout the nation. Its membership is comprised of a multidisciplinary group of teachers, including academic-based faculty in departments of family medicine, community hospital based residency training programs, faculty involved in teaching medical students, and practicing family physicians who are part of the teaching faculty in family medicine.

We wish to express our strong support for the Committee to recommend an appropriation of fully authorized levels for Section 780 of the Public Health Service Act in support of family medicine departments and Section 786 in support of family practice residency programs. Last year, with the support of this Subcommittee, Congress appropriated $33.35 million for family practice residency programs and $6.8 million for departments of family medicine. The authorized levels under the current legislation are $40 million for family practice residency training programs and $7 million for departments of family medicine. Thus, appropriations at the fully authorized levels would represent only a modest increase in federal support for this very important program.

Over the past 20 years, the U.S. has mounted a concerted effort to reestablish the family physician as the base of the U.S. health care system. Although great strides have been accomplished, we still have a smaller percentage of family physicians compared to all practicing physicians than any other developed country. For example, 53% of all physicians practicing in Canada are general/family physicians. In the U.S., currently 13% of practicing physicians are family physicians.

As we look toward proposals to assure access to health care for the currently uninsured and underinsured, we must concurrently understand that a greater number of family physicians will be required in order to meet this increased demand. This is a time of great financial difficulty in graduate medical education for family physicians. As two thirds of our nation's family practice residency programs are located in community based hospitals, the general plight of rural and urban public hospitals is intertwined with the fate of family practice residency programs. As public assistance programs have been cut back and the uninsured have turned to these public hospitals, many hospitals have faced the difficult problem of maintaining family practice residency programs. Assistance from the federal government in the form of residency-support dollars has been critical in many situations to maintaining those residency programs.

A similar plight faces departments and divisions of family medicine in our medical schools. As medical education has turned to greater reliance on earned clinical income to support educational activities, family medicine has had great difficulty because its income source is limited. Educational activities to introduce family practice to medical students in our medical schools are often dependent on extramural resources. Federal grants in support of predoctoral and departmental teaching activities in our medical schools are a very important funding priority that will enable us to maintain medical student interest in careers in family practice.

Eleven years ago, the then Departments of Health, Education and Welfare mounted a major effort to look at graduate medical education needs in the U.S. The report of the Graduate Medical Education National Advisory Committee (GMENAC), published in April 1979, predicted a continued deficit in the output of family physicians. Unfortunately, their projections were right on target. In spite of continued federal support, we still are producing too few family physicians for our nation's needs. We still are, at best, in a steady position in terms of total numbers of family physicians, with older physicians leaving the practice due to death or retirement at approximately the same rate as new physicians are being trained in our residency programs. We must maintain our federal support of residency training and academic family medicine activities.

We have appreciated the Committee's support in the past. We look forward to the continued support of the Committee and of the federal government for our family medicine training activities. We are asking that you recommend an appropriation at full authorization levels for Sections 780 and 786 of the Public Health Service Act.

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# Written Testimony
of the
**National Center for Health Education**
Before the
Appropriations Subcommittee on
Labor, Health and Human Services, and Education
United States House of Representatives
regarding
Fiscal Year 1991 Appropriations
in support of
Funding for School Health Education Programs

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The National Center for Health Education (NCHE) is pleased to present written testimony. NCHE was created in 1975 at the recommendation of the President's Committee on Health Education. Since then, the Center has worked to improve the health of the American people through health education. Specifically, during the last several years the Center has focused on the goal of implementing comprehensive school health education in every American school by the year 2000.

**School Health Promotion**

Recent research has shown that schools can offer appropriate and systematic means of preparing young people to avoid health risks. A major study of four school health curricula, including Growing Healthy, a comprehensive school health education program managed by NCHE, demonstrated that students who were instructed from these curricula scored substantially better on measures of health knowledge and attitudes than students in a control group. Seventh graders were three times more **unlikely** to start smoking than control-group students (Journal of School Health, October, 1985).

**Today's Schools**

More than 47 million students are enrolled in kindergarten through grade 12 in almost 16,000 public school districts. Despite broad recognition of the opportunity for health improvement through schools, the Centers for Disease Control (CDC) estimates that as few as five percent of schools offer a planned, sequential, comprehensive school health education curriculum in kindergarten through grade 12 that addresses the physical, mental, emotional and social dimensions of health. Even fewer schools have a comprehensive school health program that also addresses school health services, school health environment, physical education, school counseling, school food services and integrated school, family and community health promotion efforts, all of which are necessary components of an effective school health program.

Today's students face an array of complex health problems. Nearly 70% of all deaths among those age 1-24 is due to only four, preventable, causes--motor vehicle accidents(33%), other unintentional injuries (15%), homicide (10%), and suicide(10%) (National Center for Health Statistics, Monthly Vital Statistics Report, Vol. 36, no. 13, July 29, 1988, pp 18-19). In addition, while not necessarily reflected in mortality statistics, the young people of our Nation suffer increasingly from adverse effects of drug and alcohol abuse. Comprehensive school health education programs provide students with information and decision-making skills that change the way they act. They learn to avoid drugs, for example, within a broader context: finding out how their body systems work, improving their self-esteem, and learning to value good health.

**Federal Funding Assists in the Dissemination of Comprehensive School Health Education Programs**

**Department of Education (DOE)**

The Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 authorized the establishment of the Office of Comprehensive School Health Education (CSHE) within the Office of the Secretary. Under the 1989 grant competition, 80 applications representing 35 states were received, requesting a total of $19,339,367. Last year, with limited funding, only eighteen projects were funded. Collectively, these projects and information centers will provide educators at the State and local levels with a resource base from which to draw when developing and strengthening school health education programs. One of these funded programs is through the South Dakota (S.D.) Department of Health. Most of South Dakota's public and private schools serve a large number of Native American students and do not have the resources necessary for implementation of comprehensive health education programs. With DOE funds the project will support implementation of a comprehensive school health program in four targeted S.D. counties. In addition, supplemental teaching materials specific to Sioux Indian culture will be developed for use in the curricula. Because of programs of this caliber, the Center supports the growth of the Office of CSHE and recommends increasing funding from $4 to $10 million in fiscal year 1991.

**Department of Health and Human Services/Centers for Disease Control (CDC).** Currently, all funding in the area of school health education within CDC is in the area of AIDS education. The President's Commission on HIV infections identified comprehensive school health education as the most effective solution in the fight against AIDS and substance abuse. During this past year through cooperative agreements with 20 national organizations and with 55 State and 16 local departments of education, CDC's Division of Adolescent and School Health provided assistance to State and local education agencies to improve the health of children and adolescents by reducing their health risks related to injuries, HIV infection, cardiovascular diseases, cancer, drug abuse, and other health problems. These agreements stress that comprehensive school health education is needed to help school-aged youth make responsible decisions about their behaviors and lifestyles. In addition, thirty regional training centers will train school and community personnel to use comprehensive health education curricula. This is an excellent start. CDC plans to expand these efforts during 1991. NCHE requests that Members of this Subcommittee support these school-based activities and encourage CDC's Center for Chronic Disease Prevention and Health Promotion to expand and integrate comprehensive school health education programs within all of its divisions and offices.

Summary

The National Center for Health Education is pleased with the renewed National and State focus on schools and the pursuit of excellence in educating our children. The Center believes the schools are an important setting for health education and health programs and is eager to work with public efforts to implement comprehensive school health programs in all of our schools by the year 2000--with special emphasis on reaching cities with large numbers of youth at high risk of disease and injury. Thank you for this opportunity to present our comments.

Written Testimony

THE HONORABLE LINDA A. CREQUE
COMMISSIONER OF EDUCATION
UNITED STATES VIRGIN ISLANDS

Presented To

SUBCOMMITTEE ON LABOR, HEALTH AND
HUMAN SERVICES AND EDUCATION

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

April 24, 1990

Mr. Chairman, Members of the Subcommittee, it is an honor and a privilege to present to you this written document in support of the General Education Assistance Program.

I would like to extend a special thank you for your understanding and support of this program over the years.

Additionally, I am pleased that this year President Bush has included in his budget this program which is very important to the People of the Virgin Islands.

Over the years these funds have been used to build and repair classrooms, and to purchase textbooks, materials, supplies and instructional equipment.

Unfortunately, some of the progress that had been accomplished in repairing our facilities and increasing supplies was affected when Hurricane Hugo on September 17-18, 1989 wreaked havoc on the Virgin Islands resulting in severe damage to our schools.

Although we are on the road to recovery, we presently face the challenge of rebuilding while trying to move forward with our plans for a better Virgin Islands School System.

In our post Hurricane Hugo Recovery Phase we are moving to complete construction and repairs to schools with damages resulting from the hurricane as well as to replace destroyed textbooks, materials, supplies and equipment.

Prior to Hurricane Hugo the department was able to accomplish much with General Assistance funds including construction of additional classrooms; upgrading airconditioning systems; general maintenance and repairs; completion of a bus shelter at one of our high schools; renovations to the central office complex; and the purchase of Estate Slob as an educational facility. Though interrupted by the recent disaster, those General Assistance funded projects will continue as planned as we forge ahead with our programs and our quest to attain excellence in education.

During the 1990-91 school year we anticipate completing the following:

- Installing security enclosures for schools and other educational facilities in both districts.
- Renovating, equiping and upgrading our science labs.
- Upgrading and equiping outdoor physical education facilities.
- Installing intercom systems.
- Requisitioning and adopting new textbooks.
- Planning, designing and beginning the implementation of a Management Information System.
- Upgrading library facilities.
- Upgrading Vocational Education Programs.

In 1991, the Virgin Islands Department of Education proposes to utilize General Education Assistance Funds to continue those special projects started in 1990. The construction and repair upon which we have embarked is reflective of our serious commitment to rebuild our schools and to resolve the problem of inadequate educational facilities in the Territory. Mr. Chairman, this year more than ever, General Education Assistance funds are critically needed.

In conclusion - I would like to say that we are monitoring the operation of our department, the largest in the territory, and stand ready to recommend additional changes for the effective management of education so that we will achieve that level of excellence for which we are striving.

We deeply appreciate the resources which have been provided by the General Assistance Grant, and state unequivocably that the progress made in Virgin Islands Education over the past few years could not have been made without this vital resource.

## BIOGRAPHICAL INFORMATION

### Linda Creque, Ph.D.

Linda Ann Creque, is Commissioner of Education for the United States Virgin Islands having been appointed to that position by Governor Alexander A. Farrelly on January 7, 1987.

She received her BS and MA in Education from Queens College, City University in New York and her Ph.D. from the University of Illinois, Champaign-Urbana.

She taught gifted children in New York City and was chosen as one of ten teachers to participate in an exchange program in Puerto Rico called "Operation Understanding."

After moving to Saint Thomas, she was appointed as a fourth grade teacher at the then Nisky Demonstration School, where she worked to establish special enrichment programs including a program with New York University to provide after school tutorial and remedial instruction for students.

In 1970, Dr. Creque became the Educational Coordinator for Project Head Start and its Acting Director in 1973.

She left Head Start in 1973 to implement the first Open-Classroom K-3 school for the Department of Education. It was the first school in the Territory to institute the Early Prevention of School Failure Program and she pioneered weekly staff-training sessions and shared decision making policies as early as 1974.

In 1979, as the chairperson of the Professional Development Committee for the Administrators Association she helped to organize a joint effort with the Department of Education, the University of the Virgin Islands and the University of Illinois to establish a doctoral program. The program allowed many native Virgin Islands educators to pursue higher education degrees and provided a broader knowledge base within the community.

In 1980, Dr. Creque was appointed as the Principal of Joseph Sibilly School and in 1986, the school received an Excellence in Education Grant Award.

Presently, Dr. Creque serves as a member of the Education Commission of the States Steering Committee, and is a member of their Policy and Priorities Committee. She is also Chairman of CCSSO's Committee on Extra Jurisdiction and a member of their Task Force on Restructuring. Additionally, Dr. Creque sits as a member of the Board of Trustees, University of the Virgin Islands, the V.I. Board of Public Television, the Executive Committee of the Regional Laboratory for Educational Improvement of the Northeast and Islands and has been nominated for the World Who's Who of Women.

Dr. Creque is a member of the League of Women Voters, the Association of Supervision and Curriculum Development, the Council of Teachers of English and other civic and professional organizations.

She is also a member of various National Honor Societies including Phi Kappa Phi, Delta Kappa Pi, Phi Delta Kappa and has been a recipient of several awards including the Virgin Islands Council of the Arts, the Community Education and Training Program, the V.I. Cultural Endowment Program and the Deans Award, University of Illinois.

Dr. Creque is married to Leonard Creque and has two children - Leah and Michael.

April 30, 1990

Statement Submitted by Congressman Ron de Lugo
Before the House Appropriations
Subcommittee on Labor, Health and Human Services,
And Education and Related Agencies

Mr. Chairman:

Thank you for this opportunity to present this written statement in support of a U.S. Department of Education program that is more important than ever to the students and the people of the U.S. Virgin Islands - General Education Assistance.

This Subcommittee has consistently supported this program over the years, and the result has been better school buildings and a better learning environment for our young people. Thanks to the steadfast support of this Subcommittee, and in particular your leadership, Mr. Chairman, Congress has appropriated funds for General Education Assistance that have been put to use in constructing and repairing school buildings, buying textbooks, buying musical equipment, and supporting special programs for our students.

This program has never been more needed. Seven months ago, Hurricane Hugo inflicted its 200 mile-per-hour winds on the Virgin Islands and nearly every one of our schools was damaged or destroyed, along with many other homes, businesses and public facilities. We suffered roughly $50 million of damage to our schools, and well over $1 billion dollars of damage to our entire community, where the annual Gross Territorial Product is in the $1 billion to $1.5 billion range.

We lost six weeks of school right after Hurricane Hugo, when we lacked electricity, phones and basic services, and many of our people were living in tents or their half-destroyed homes. Given the extent of the devastation, we were fortunate, under the able leadership of V.I. Education Commissioner Dr. Linda Creque, to keep that interruption to a mere six weeks. The Administration, teachers and other school personnel also came together to negotiate agreements to make up those days during an extended 1989-90 school year. Nevertheless, we still face a massive rebuilding job, and a race to get our schools back into good shape for the next school year. General Education Assistance, which allows the V.I. Department of Education flexibility to choose its top priorities for these funds, is more important than ever.

This program has proved its worth and President Bush has recognized its value by including $4.4 million in General Education Assistance in his own budget for 1991. I want to fully support that budget request and thank this Subcommittee for keeping General Education Assistance alive all these years when the Administration left it out of the budget.

I also want to point out, as I did last year, that the people of the Virgin Islands are supporting public education with their own tax dollars. The Department of Education is by far the largest single government agency in the territory, reflecting the importance of education for our community. According to a study by Pelavin Associates in April 1988, commissioned by the U.S. Department of Education, Virgin Islanders pay 8 to 9 percent of their personal income in taxes to suport their public schools. That compares to 4.5

percent as the national average. When measured on the basis of the ability to pay, Virgin Islanders rank among the very top states in the nation in supporting their local schools with their local taxes.

Nevertheless, our schools face formidable, even aside from the devastating impact of Hurricane Hugo. The same study by Pelavin Associates notes that the Virgin Islands has a very high percentage of students from disadvantaged homes. The territory's poverty rate for children from 5 to 17 years old is 42.5 percent, more than three times the national average. Just over 28 percent of all children under 18 live in single-parent households. And almost 16 percent of all children live in households where English is a second language. These are the facts of life for the public schools in the Virgin Islands.

The funds we receive through General Education Assistance are critical to our efforts to develop programs that will educate our students. The accompanying statement of Commissioner Creque explains the achievements that have been made possible with General Education Assistance.

I also want to express my appreciation for this Subcomittee's support of Territorial Teacher Training, which is budgeted at $1.8 million for 1991. This is another program that has proved its worth over the years, by helping many natives and long-term residents earn their degrees and certificates. That is a great investment in the future, for these teachers will share their knowledge with our students for years to come.

Accordingly, Mr. Chairman, I am asking this Subcommittee to continue its consistent support of Virgin Islands public schools by approving the full appropriation of $4.4 million for General Education Assistance and the $1.8 million for Territorial Teacher Training. Thank you.

NASADAD
NATIONAL ASSOCIATION OF STATE ALCOHOL AND DRUG ABUSE DIRECTORS

TESTIMONY OF

JOHN S. GUSTAFSON

DEPUTY DIRECTOR

DIVISION OF SUBSTANCE ABUSE SERVICES

STATE OF NEW YORK

and

PRESIDENT

NATIONAL ASSOCIATION OF STATE ALCOHOL
AND DRUG ABUSE DIRECTORS

before the

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

on

PRESIDENT'S FY 1991 BUDGET REQUEST FOR
FEDERAL ALCOHOL AND DRUG ABUSE PROGRAMS

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MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE. THANK YOU FOR THE OPPORTUNITY TO SUBMIT COMMENTS ON THE PRESIDENT'S FISCAL YEAR 1991 BUDGET REQUEST FOR FEDERAL ALCOHOL AND OTHER DRUG ABUSE PROGRAMS.

MY NAME IS JOHN GUSTAFSON. I AM DEPUTY DIRECTOR WITH THE DIVISION OF SUBSTANCE ABUSE SERVICES FOR THE STATE OF NEW YORK AND CURRENTLY SERVE AS PRESIDENT OF THE NATIONAL ASSOCIATION OF STATE ALCOHOL AND DRUG ABUSE DIRECTORS (NASADAD). NASADAD IS A NOT-FOR-PROFIT ORGANIZATION WHOSE MEMBERSHIP IS COMPRISED EXCLUSIVELY OF THE STATE AND TERRITORIAL OFFICIALS DESIGNATED BY THE GOVERNORS TO ADMINISTER THE PUBLICLY FUNDED ALCOHOL AND DRUG ABUSE TREATMENT AND PREVENTION SYSTEM.

## CONTINUING NEED FOR ADDITIONAL FEDERAL RESOURCES FOR THE ALCOHOL, DRUG ABUSE AND MENTAL HEALTH BLOCK GRANT

ACROSS OUR NATION ALCOHOL AND OTHER DRUG ABUSE PROBLEMS CONTINUE TO GROW IN MAGNITUDE AND SEVERITY, PARTICULARLY AMONG OUR YOUTH. STATES AND LOCAL COMMUNITIES THROUGHOUT THE COUNTRY HAVE A SIGNIFICANT AND GROWING NEED FOR ADDITIONAL FEDERAL RESOURCES FOR ALCOHOL AND OTHER DRUG ABUSE PREVENTION, INTERVENTION AND TREATMENT SERVICES. TREATMENT CAPACITY MUST BE EXPANDED, ADDITIONAL ACTIVITIES TO REDUCE THE AIDS/HIV CRISIS MUST BE UNDERTAKEN AND NEW PREVENTION, INTERVENTION AND TREATMENT ACTIVITIES TARGETING SPECIAL POPULATIONS MUST BE INITIATED.

EXAMPLES OF THE CONTINUING NEED FOR ALCOHOL AND OTHER DRUG TREATMENT SERVICES INCLUDE THE FOLLOWING:

- IN A RECENT SURVEY ON WAITING LISTS, STATES REPORTED THAT ALMOST 67,000 PERSONS WERE CURRENTLY LISTED ON TREATMENT WAITING LISTS;
- APPROXIMATELY ONE HALF OF THOSE ON WAITING LISTS HAD BEEN WAITING FOR TREATMENT FOR AT LEAST 30 DAYS;
- THE REPORTING STATES INDICATED THAT APPROXIMATELY 1,407,519 PERSONS PER YEAR ARE CURRENTLY RECEIVING ALCOHOL AND OTHER DRUG ABUSE TREATMENT, INCLUDING 1,283,994 ADULTS AND 123,525 ADOLESCENTS;
- THE STATES ALSO ESTIMATED THAT THE TOTAL NUMBER OF ADDITIONAL PERSONS NEEDING ALCOHOL AND OTHER DRUG ABUSE TREATMENT IS 10,596,479, INCLUDING 8,973,483 ADULTS AND 1,601,996 ADOLESCENTS.
- IN FY 1988, STATES ESTIMATED THAT THERE WERE A TOTAL OF 1.3 MILLION INTRAVENOUS DRUG ABUSERS (IVDUS) IN THE U.S.; ONLY 162,929 IVDUS WERE ADMITTED TO PUBLICLY FUNDED TREATMENT PROGRAMS - ABOUT 10 PERCENT OF THOSE NEEDING TREATMENT.

THE PUBLICLY FUNDED ALCOHOL AND OTHER DRUG ABUSE PREVENTION AND TREATMENT NETWORK RELIES ON FINANCIAL SUPPORT FROM ALL LEVELS OF GOVERNMENT - FEDERAL, STATE AND LOCAL. THIS PARTNERSHIP HAS EVOLVED OVER THE PAST TWO DECADES WITH THE ROLES AND RESPONSIBILITIES OF THE VARIOUS GOVERNMENTAL ENTITIES CHANGING OVER THE YEARS.

SINCE 1981, THE ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES (ADMS) BLOCK GRANT HAS BEEN THE PRIMARY FEDERAL FUNDING

MECHANISM FOR ALCOHOL AND OTHER DRUG ABUSE PREVENTION AND TREATMENT SERVICES AND FOR COMMUNITY MENTAL HEALTH SERVICES. THE ADMS BLOCK GRANT REMAINS THE MOST VIABLE MANNER TO EQUITABLY DISTRIBUTE FEDERAL SERVICE DOLLARS TO ENSURE THE SYSTEMATIC, COORDINATED DELIVERY OF SERVICES TO ALL STATES AND LOCAL COMMUNITIES. THE CREATION OF CATEGORICAL FUNDING MECHANISMS INHIBITS OVERALL STATE PLANNING AND COORDINATION, AND ALSO CAUSES DELAYS IN THE USE OF FEDERAL FUNDS.

RECENTLY, THE STATE ALCOHOL AND DRUG ABUSE AGENCIES WERE ASKED TO PROVIDE INFORMATION ON THE USE OF FY 1989 FEDERAL AND STATE FUNDS FOR ALCOHOL AND OTHER DRUG ABUSE TREATMENT, INCLUDING SERVICES IN RURAL AND URBAN AREAS AND SERVICES TO WOMEN. ADDITIONALLY, STATES PROVIDED EXAMPLES OF PROGRAMS OFFERING TREATMENT SERVICES TO WOMEN, INCLUDING PREGNANT WOMEN AND PROGRAMS SERVING PERSONS WITH AIDS/HIV.

FORTY-THREE STATES, THE DISTRICT OF COLUMBIA, PUERTO RICO AND THE VIRGIN ISLANDS RESPONDED TO THE SURVEY AND REPORTED THAT THE STATES' TOTAL AMOUNT OF FY 1989 ADMS BLOCK GRANT FUNDS FOR ALCOHOL AND OTHER DRUG ABUSE PREVENTION, INTERVENTION AND TREATMENT SERVICES WAS $468 MILLION. OTHER FUNDS TOTALED $1.43 BILLION, BRINGING THE TOTAL AMOUNT OF FUNDS TO $1.9 BILLION.

OF THE TOTAL FUNDING, THE STATES REPORTED THAT OVER $349 MILLION, ALMOST 20 PERCENT, WAS SPECIFICALLY EARMARKED FOR ALCOHOL AND OTHER DRUG ABUSE TREATMENT SERVICES TO WOMEN. IN ADDITION, WOMEN ARE SERVED ALONG WITH MEN IN MOST TREATMENT PROGRAMS. REGARDING TREATMENT AND PREVENTION SERVICES IN RURAL

AND URBAN AREAS, THE REPORTING STATES INDICATED THAT APPROXIMATELY $1 BILLION OF THE TOTAL FUNDING WAS ALLOCATED TO LARGE URBAN AREAS, $314 MILLION TO MEDIUM-SIZED POPULATION AREAS AND $312 MILLION TO RURAL AREAS.

## FY 1991 APPROPRIATIONS RECOMMENDATION

THE ADMINISTRATION'S FY 1991 BUDGET REQUEST OF A $100 MILLION INCREASE FOR THE DRUG PORTION ONLY OF THE ADMS BLOCK GRANT IS NOT ADEQUATE.

IN ADDITION, NASADAD MEMBERS OBJECT TO THE DESIGNATION OF A FUNDING INCREASE FOR DRUG ABUSE TREATMENT ONLY. ALCOHOL CONTINUES TO BE OUR NATION'S NUMBER ONE DRUG OF ABUSE AND THE PROBLEMS ASSOCIATED WITH ALCOHOL ALONE OR IN COMBINATION WITH OTHER DRUGS ARE OF DRAMATIC PROPORTIONS. THE NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM'S 7TH REPORT TO CONGRESS INDICATES THAT AN ESTIMATED 10.5 MILLION U.S. ADULTS EXHIBIT SYMPTOMS OF ALCOHOLISM OR ALCOHOL DEPENDENCE AND AN ADDITIONAL 7.2 MILLION ABUSE ALCOHOL. ADDITIONALLY, IT IS ESTIMATED THAT 4.5 MILLION ADOLESCENTS ARE DEPENDENT ON ALCOHOL, OR ARE PROBLEM DRINKERS. OUR COUNTRY'S SO-CALLED "WAR ON DRUGS" MUST NOT FOCUS SOLELY ON ILLICIT SUBSTANCES.

NEXT, THE ADMINISTRATION'S FY 1991 BUDGET REQUEST DOES NOT PROVIDE SUFFICIENT FEDERAL FUNDING TO MEET THE GOALS OF THE NATIONAL DRUG CONTROL STRATEGY AND THE PRIORITIES ARTICULATED BY CONGRESS. THE NATIONAL DRUG CONTROL STRATEGY HAS IDENTIFIED A NUMBER OF PRIORITIES THAT PLACE ADDITIONAL RESPONSIBILITIES ON

THE STATES, INCLUDING THE SUBMISSION OF STATE PLANS FOR TREATMENT RESOURCE ALLOCATION AND SYSTEMIC IMPROVEMENTS; IMPROVED COORDINATION AMONG LOCAL TREATMENT PROVIDERS AND BETWEEN TREATMENT PROVIDERS AND OTHER HEALTH AND SOCIAL SERVICE PROVIDERS; INCREASED FUNDING FOR OUTREACH AND TREATMENT PROGRAMS FOR PREGNANT WOMEN; AND EXPANDED AND IMPROVED DATA COLLECTION AND EVALUATION. ADDITIONALLY, BOTH THE ADMINISTRATION AND THE CONGRESS RECOGNIZE THE NEED TO PROVIDE MORE CASE MANAGEMENT AND COMMUNITY-BASED TREATMENT SERVICES TO ALCOHOL AND DRUG DEPENDENT OFFENDERS TO BREAK THE LINK BETWEEN SUBSTANCE ABUSE AND CRIME.

WHILE THE STATES WOULD AGREE THAT EACH OF THESE AREAS HAS MERIT AND SHOULD BE FOCUSED ON, IT WILL BE DIFFICULT TO MEET THESE PRIORITIES, AS WELL AS THE CALL FOR ADDITIONAL TREATMENT SLOTS, WITH THE AMOUNT OF FEDERAL FUNDS BEING REQUESTED BY THE PRESIDENT.

DUE TO THE ESCALATING UNMET TREATMENT NEEDS OF ALCOHOL AND OTHER DRUG ABUSERS IN ALL AREAS OF THE COUNTRY - URBAN AND RURAL, INCLUDING THE ALARMING INCREASE OF AIDS AMONG IV DRUG ABUSERS AND THE GROWING CRACK/COCAINE EPIDEMIC, NASADAD RESPECTFULLY REQUESTS THAT THE MEMBERS OF THE APPROPRIATIONS SUBCOMMITTEE SERIOUSLY CONSIDER APPROPRIATING A MUCH HIGHER AMOUNT FOR THE ADMS BLOCK GRANT. SPECIFICALLY, WE RECOMMEND THAT $3 BILLION BE APPROPRIATED FOR FY 1990. THIS MAGNITUDE OF INCREASE WOULD BEGIN TO ADDRESS THE REAL NEEDS FOR TREATMENT AND PREVENTION AMONG OUR NATION'S CITIZENS.

# Testimony of
Robert Sherer, President
National Association of State Occupational
Information Coordinating Committees

Written Statement on Fiscal Year 1991 Appropriations
House Subcommittee on Labor, Health and Human Services,
Education and Related Agencies

April 26, 1990

Thank you Chairman Natcher for your recent letter regarding the opportunity to offer this written testimony on appropriations for the Departments of Education and Labor for fiscal year 1991 and specifically on appropriations pertaining to the occupational information programs under the Vocational Education Act and Job Training Partnership Act.

I am Robert Sherer, President of the National Association of State Occupational Information Coordinating Committees (NASOICC), and on behalf of our membership, I am providing this testimony to request an appropriation of $12 million for the State and National Occupational Information Coordinating Committee programs for fiscal year 1991. Action for this appropriation amount is needed to provide basic support for these programs because the President's fiscal year 1991 budget proposal would impose a $1.6 million reduction. Further, basic support for these programs has eroded over the years. For example, appropriations for State and National Occupational Information Coordinating Committees was $9.8 million in fiscal year 1979 and $9.1 million in fiscal year 1990.

To maintain adequate operational support, I am seeking Subcommittee endorsement for equal $6 million appropriations under the Perkins Vocational Education Act and the Job Training Partnership Act. This request is summarized on the following page by presenting the requested appropriations by specific departmental line items:

Education (PVEA)

$6.0 Million - Programs of National Significance - Data Systems

Labor (JTPA), Employment and Training Administration

$6.0 Million - Training and Employment Services, Federally Administered Programs, National Activities.

I would also like to indicate the support of our membership for a $30 million appropriation for career guidance and counseling under Title III-C of H.R. 7, the House-passed version of PVEA reauthorization. This portion of H.R. 7 maintains the strengthened position career guidance and counseling in the PVEA of 1984 as it retains a separate authorizing section for career guidance and counseling programs.

As Chair of the subcommittee, you are fully aware of the human resource development concerns confronting the United States. Included among the many "issues of our day" are concerns about worker scarcity as a consequence of sustained economic growth and changing age demographics, significant labor force growth by population subgroups that have traditionally been less-prepared for the labor market, rising world trade and questions about our competitive standing, and the several unfavorable international comparisons of achievement in academic and technical education.

As you help sharpen and refine national policy in response to these concerns, please look at the occupational information programs represented by the State and National Occupational Information Coordinating Committees as important components. These programs, established by the Education Amendments of 1976 (P.L. 94-482), are directed by federal law to identify and address the common, system-wide occupational information needs of the major agencies and programs where vocational education, job training and related programs are found. Occupational information applications in education and job training program planning and career decision-making are their focus. These information programs are directed at ensuring that career options are explored on the basis of current career information and that training for work is in line with employer demand.

Career information delivery is addressed by the "Coordinating Committee" programs in several ways. However, Career Information Delivery Systems (CIDS) are the major thrust of the national and state committees. From a small base in the late 1970's, CIDS have grown to become a significant part of career information delivery. They are now operating in 47 states and at 15,000 sites. In many states, they are the primary means of making state-specific career and educational program information widely and conveniently available.

Program planning information systems were nearly nonexistent in the late 1970's but now 47 states operate what are called Occupational Information Systems (OIS). These systems provide occupational supply and demand information to training program decision-makers. These systems also respond to the informational needs of economic development agencies in many states.

In addition to occupational information products and systems, activities encouraging widespread and informed use of occupational information are featured by the Committees. One example is the ICDM or Improved Career Decision Making training. This training package has been used to train over 20,000 counselors in how to use labor market information for career decision-making.

A recent major initiative is the National Career Development Guidelines project. This project has garnered extensive support from federal and state agencies and professional organizations. Its focus is an "outcomes-based" comprehensive career guidance and counseling program. Process and content guides spanning elementary and adult programs have been developed and are expanding through demonstration programs in more than twenty states.

However, career guidance and counseling programs must be adequately funded for these "demonstration programs" to ultimately succeed. For this reason, I am advocating support for a $30 million appropriation for career guidance and counseling under PVEA. This appropriation is vital to the improvement of the career development of our youth. This claim is supported by results from the 1989 "Work in America" survey of the adult population conducted by The Gallup Organization. It showed that only four of every ten Americans were at work in a career that was a result of a "definite career plan." The results by educational level were alarming. Only one in three high school graduates acted on a definite career plan and only one in five high school dropouts did. This compares to more that six in ten of all college graduates.

Vocational Education legislation has provided the primary monetary federal presence for career guidance and counseling programs. However, these programs still suffer from a lack of significant funding. Yet this situation prevails in spite of evidence that career guidance and counseling programs work if comprehensive programming is available. Several studies of "bonafide" career guidance and counseling programs show improved school performance, interpersonal skills and career preparation.

Mr. Chairman and members of the Subcommittee, our economy thrives on information and our labor markets can thrive also. However, adequate support for information programs is required. We should not let them lose ground in real dollars, especially in these times. Further, career development cannot be fully addressed by our institutions if career guidance and counseling programs are not supported to some significant extent. It is for these reasons these brief comments are offered. Thank you Chairman Natcher and other members of the Subcommittee for this opportunity.

# STATEMENT OF
# THE RELIGIOUS COALITION FOR ABORTION RIGHTS
# TO THE
# HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION
# ON THE FY 1991 LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION APPROPRIATIONS BILL

Submitted April 27, 1990

The Religious Coalition for Abortion Rights is an organization of thirty-four (34) Protestant, Jewish and other religious bodies. Each of our member faith groups approaches the issue of abortion from its own unique theological perspective. Our member organizations' support of reproductive freedom is integral to our commitment to religious freedom. In our pluralistic society, no one religious viewpoint on the beginning of personhood should be imposed on all Americans by secular law. Americans must be free to make decisions about abortion after thoughtful consideration, based on one's own conscience and religious beliefs and consistent with sound medical practice. It is a violation of religious liberty for government to promote or coerce a particular decision.

RCAR holds in high respect the value of potential life; we do not take the question of abortion lightly, and we are NOT PRO-ABORTION. WE ARE PRO-CHOICE, and WE ARE PRO-LIFE. While we do not support abortion a positive alternative to responsible use of contraception, nor for purposes of sex selection, we know of no instances where this has occurred. We also believe that all women should be supported in their decision to carry their pregnancy to term, and our member groups aggressively support programs such as the Special Supplemental Food Program for Women, Infants and Children (WIC), Aid to Families with Dependent Children (AFDC), child care, food stamps, etc., that can help them do so.

RCAR strongly supports federally funded family planning programs, which provide primary contraceptive and gynecologic care for about 4.1 million women who might not otherwise be able to obtain services. These programs, most of which are funded by Title X of the Public Health Services Act, play a critical role in promoting maternal and child health. While these programs do not provide abortions, they do reduce the need for abortions by reducing unintended pregnancy. A mere 8% of women at risk of unintended pregnancy used no form of contraceptives, but accounted for more than 57% of actual unintended pregnancies.

Since 1985, funding for Title X has actually decreased by over $27 million. As a result of inflation, restoration of services would require funding at a level of approximately $230 million for FY91. S.110, the reauthorization of Title X programs as passed by the Senate Labor and Human Resources Committee, would authorize $171 million. We urge this subcommittee to provide for full funding of the amount authorized by S.110.

Furthermore, we firmly believe that abortion should remain a safe, legal and accessible option to all women, regardless of their economic status. A woman with a problem pregnancy is facing a complex decision, rather than a simple question of right or wrong. In reaching a decision she must weigh all options in light of the teachings of her religion, her medical, social and economic situation.

The so-called Hyde Amendment to the Labor, Health and Human Services and Education Appropriations bill restricts the use of Medicaid funds for abortions except in the most extreme case when it is necessary to save a woman's life. Abortions cannot be provided for women who are rape or incest victims, for women whose health is seriously jeopardized by pregnancy, or for women who carry abnormal fetuses. Poverty increases the risk of nutritional deficiencies, limited access to health care, and illness that may be exacerbated by pregnancy, such as diabetes, heart disease, hypertension and cancer. Thus the Hyde amendment hurts Medicaid recipients by coercing a particular decision that may be detrimental to health.

For the nine percent of women of reproductive age who rely on Medicaid for health care, the only alternative to carrying a crisis pregnancy to term is to finance an abortion personally. The average fee for an early abortion, although only one tenth the cost of prenatal care and delivery which is covered by Medicaid, is more than half the monthly income of a family on AFDC. While a majority of Medicaid eligible women who need abortions do eventually obtain them, it is only at great sacrifice to themselves and their families.

The difficulty in raising money to pay for it can often lead to delay in obtaining an abortion, which significantly increases the risks to the woman. While abortion is considered to be one of the safest medical procedures when performed by a licensed practitioner, each week of delay heightens the possibility of serious health complications by 20%. In 1982, women who were eligible for Medicaid obtained abortions two to three weeks later than other women. Ironically, the cost of an abortion also increases with the delay.

RCAR is especially concerned that the Hyde amendment disproportionately affects women of color. Approximately 18.8% of blacks, compared with only 4% of whites, rely on public-assistance for their health care. This statistic represents a tremendous indictment for the racism and injustice in our society. These are only exacerbated when recipients of public assistance are denied medically necessary health care options that are guaranteed to the general population as a fundamental right.

THEREFORE, RCAR RESPECTFULLY REQUESTS THAT THE HOUSE LABOR, HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE ELIMINATE RESTRICTIONS ON THE USE OF MEDICAID FUNDS FOR ABORTIONS, AND RAISE THE LEVEL OF FUNDING OF TITLE X FAMILY PLANNING PROGRAMS TO $171 MILLION.

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Statement
of the
AMERICAN PUBLIC POWER ASSOCIATION
Submitted to the
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION
AND RELATED AGENCIES
HOUSE COMMITTEE ON APPROPRIATIONS
FY 1991 LOW INCOME HOME ENERGY ASSISTANCE PROGRAM APPROPRIATIONS

April 30, 1990

The American Public Power Association (APPA), the national service organization representing more than 1,750 publicly owned electric utilities, is pleased to submit this statement to the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies in support of a significant increase in the Low Income Home Energy Assistance Program (LIHEAP) appropriation.

The severity of the winter of 1989 has served to remind us that LIHEAP is still an important lifeline for approximately 5.8 million low income families struggling to pay their utility bills. The sub-zero weather conditions earlier this winter increased the demand for heating fuel and escalated fuel prices. Because most LIHEAP households receive a fixed allocation of funds, this fuel price escalation resulted in a reduction of LIHEAP benefits to all customers. Many households exhausted their annual benefits allocation and were forced to choose between feeding their families and paying their utility bills. Some states depleted their energy assistance program funds, prompting the introduction of H.J.Res. 455/S.J.Res. 261 to appropriate an additional $300 million for the energy assistance program.

This past winter is just one example of the importance of increasing the LIHEAP appropriations level. Since the programs peak $2.1 billion budget in 1985, LIHEAP has undergone severe budget cuts. This year, the Administration has cut LIHEAP by 25 percent, placing the fiscal year 1991 funding level at $1.05 billion, down from $1.39 billion in fiscal year 1990.

Due to these budget cuts, states must stretch fewer dollars to meet the needs of more people. These constraints have forced state administrators of LIHEAP to consider cutting heating benefits, reducing the number of LIHEAP eligible households, minimizing weatherization program funding -- which in the long-run is counterproductive -- and using oil overcharge funds to supplement the LIHEAP program. Although Congress has repeatedly used the existence of oil overcharge funds to justify reduction in LIHEAP funding, many states have nearly depleted these funds.

In response to the cuts in the LIHEAP budget, public power systems throughout the country have developed their own programs to assist low income households in paying their utility bills. Los Angeles Department of Water and Power (LADWP), the largest publicly owned utility system -- serving over 1 million customers -- estimates that more than 300,000 customers qualify for energy assistance programs. Working with the local United Way chapter, LADWP has developed "Project Angel." By checking off a designated box on their utility bills, participants in this project agree to donate specified amounts of money to assist others in paying their utility bills. The project has successfully supplemented the LIHEAP program, and LADWP is now hoping to develop a new program involving corporate donations.

Many other public power systems have initiated similar programs while some systems have developed different methods to assist those in need. For instance, Seattle City Light has initiated a program to lower rates for low income households. Those households whose incomes are equal to or less than 125 percent of the national poverty level, receive an automatic 40 percent reduction in their utility bill.

Although there are many local projects aimed at low income families in need of energy assistance, there is still a need for federal aid. The Low Income Home Energy Assistance Program was created in 1980 to close the gap between the amount of money a low income household can afford to pay for fuel and the actual utility bill. Reductions in the funding for this crucial program would only serve to erode its original purpose and make it increasingly more difficult for those in need to survive. Energy is an essential service in providing and achieving an adequate standard of living. Absent adequate funding, LIHEAP will be unable to fully meet that goal.

**NATIONAL COMMITTEE TO PRESERVE**
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# STATEMENT OF MARTHA McSTEEN

## PRESIDENT OF THE NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE

## BEFORE THE

## SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

## COMMITTEE ON APPROPRIATIONS

## U.S. HOUSE OF REPRESENTATIVES

## APRIL 30, 1990

Mr. Chairman, I am Martha McSteen, President of the National Committee to Preserve Social Security and Medicare. As the head of an organization of five million members and supporters whose average age is 69, I welcome this opportunity to offer remarks in support of substantially increased funding for basic scientific research on the diseases and conditions that afflict seniors.

The funding of health sciences research is a new issue for us. Last year the National Committee created a new staff position, that of Health and Regulatory Affairs Representative, to concentrate on this important issue. This year is the first time that our organization has urged this subcommittee to set aside the President's budget request and to recommend much larger appropriations for the National Institutes of Health generally and for the National Institute on Aging in particular.

To us, the single most compelling fiscal argument is cost containment. The only real answer to hideously expensive long-term care is to reduce the need for it through research.

We are appalled by the increasing costs of warehousing seniors in nursing homes---people who are demented, immobile or incontinent---when scientists say these conditions are researchable.

An estimated $10 billion is spent to care for five million seniors who are incontinent, according to the Alliance for Aging Research. Incontinence is one of the main reasons that caring families finally give up and send their older relative to a nursing home.

The direct-care costs of falls and fractures of frail older people may be as high as $7 billion a year, the Alliance has estimated. This is because most ~~the~~ of the 200,000 older people who fall and suffer hip fractures each year never regain their mobility and subsequently enter nursing homes.

Finally, there is the ever-escalating cost of caring for those who have Alzheimer's Disease. According to the National Institute on Aging, it is $88 billion a year in direct and indirect costs.

We are moved by the heart-rending letters from our members telling us about their daily struggle to provide almost total care for a spouse or parent with Alzheimer's. "This is a *terrible* disease to watch or to go through," one 87-year-old woman said in her letter.

We are also hearing from members through our membership surveys. The most interesting finding of our 1990 issues poll was the surprisingly strong support for medical research. Our members are not scientists; they are the people at risk, the patients and the caregivers. They are realizing that only research can yield ways to prevent, cure, or postpone the conditions that demean their lives and make institutionalization necessary.

The National Committee is encouraged by the window of opportunity afforded by research findings over the last few years, particularly with regard to Alzheimer's disease. Although the cause of Alzheimer's remains elusive, some important clues have emerged. In March, we heard Dr. T. Franklin Williams, Director of the National Institute on Aging, tell this subcommittee that Alzheimer's may be conquerable "within this decade." This is what our members want to see happen.

For this and other reasons, the National Committee joins the Alliance for Aging Research and 44 other organizations in working toward an annual investment of $1 billion in research on aging. For fiscal year 1991, this would mean approximately $600 million in new money.

Consistent with this shared vision, the National Committee urges increased funding for the National Institutes of Health for biomedical and clinical research aimed at preventing and curing diseases, and for basic studies in such fields as cell biology, immunology and genetics. Within the National Institutes of Health, we would like to see substantially more money for the National Institute on Aging. This Institute is the nation's primary home for Alzheimer's research, for research on frailty and for studies on the biology of aging. We understand that it is the most impoverished of the 13 Institutes and that it has the the lowest award rate--only 17.0 percent of the research proposals surviving rigorous peer review are ever funded.

Like many members of this subcommittee, the National Committee is concerned about the quality of biomedical research, and about the fact that the number of new and competing awards--perhaps the single most important barometer of a healthy research enterprise--has dwindled over the last three years. We share the widespread concern that the slashing of research grants known euphemistically as "downward negotiation" can only lead to marginal science. The National Committee joins others in suggesting that the 1987 level of approximately 6,500 new and competing awards is a reasonable goal for fiscal year 1991. The National Committee would like to see the National Institutes of Health provided with sufficient resources to rededicate itself to its original mission, the nurturing of what it calls "investigator-initiated" projects and what the press calls "small science." We tend to share the view that this is the most cost-effective way to approach health sciences research, and the approach that will yield for the nation the highest return in the shortest possible time.

The National Committee recognizes the fact that over the years this subcommittee has been more generous to biomedical research and to the National Institutes of Health than successive Presidents. After hearing 20 hours of testimony before this subcommittee, we are inclined to agree with those members who observed that the Administration's fiscal year 1991 budget request is not a budget to produce scientific breakthroughs, but simply a budget to stay in business.

The National Committee's five million members want to see a budget realistic enough to produce scientific breakthroughs. We feel confident that this subcommittee will do its best to see that research essential to improving the quality of life for seniors is indeed undertaken.

THE PARTNERSHIP
FOR ORGAN DONATION, INC.

# STATEMENT OF
# THE PARTNERSHIP FOR ORGAN DONATION

By

**Michael J. Evanisko**
**Managing Director**
**Boston, MA**

April 30, 1990

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Mr. Chairman, and Members of the Subcommittee, thank you for the opportunity to provide information on successful organ procurement and donation programs for the Subcommittee deliberations. This Subcommittee's long standing commitment to biomedical research has enabled remarkable advances over the past decade, including the technology allowing the transplantation of many types of tissues and organs from one human being to another.

This statement is being submitted on behalf of The Partnership for Organ Donation, Inc. (The Partnership), a non-profit corporation based in Boston. The Partnership was formed and is spearheaded by Corporate Decisions, Inc., (CDI), a management consulting firm which has been intimately involved in the organ procurement process over the past four years.

## Background

On any given day, more than 20,000 Americans are on a waiting list for organ transplants. Of these,

- some 16,900 people are waiting for kidneys;
- 1,575 for hearts;
- 950 for livers;
- 390 for lungs; and,
- 330 for pancreata.

And while statistics regarding organ transplantation are compelling, these numbers only scratch the surface of a much larger problem. A new name is added to the waiting list every thirty minutes. About one-third of these people will die before they ever receive a transplant. In fact, experts estimate that the true need for organs exceeds by several times the official waiting list, as many potential transplant recipients are never placed on the list because their physicians judge that the chance of these patients receiving the life-saving organ is too slim to warrant raising false hope or subjecting them to the medical procedures associated with candidacy.

Another unfortunate reality is that the shortage of organ donors disproportionately affects the minority community, particularly black Americans. In large part due to a higher incidence of high-blood pressure leading to kidney disease, blacks represent a disproportionate segment of the end stage renal disease (ESRD) waitlist for kidney transplantation (33% of waitlist patients are black vs. 12% of all Americans.)

In addition to being a life saving procedure, in many instances transplantation is a more cost-effective intervention than alternative treatments. Total treatment costs for kidney dialysis exceed those for kidney transplantation by many tens of thousands of dollars per patient. Based on these figures, our analysis suggests an adequate supply of donated kidneys would save HCFA and federal taxpayers in excess of $1 billion over the next 10 years.

The problem is not that Americans object to donating organs. Polls have shown that over 90 percent of the American public strongly support donation. Neither is the problem a lack of suitable organs. Each year, as many as 25,000 healthy people die unexpectedly in this country, usually in accidents. And, as this Subcommittee knows, the problem is not the quality of current transplant technology, which now allows success rates exceeding 80%. The problem is a far simpler one -- inappropriate management of the delicate and complex chain of events that must occur to make a donation and transplant successful.

To some extent, the current state of affairs is predictable. There is a multitude of professionals involved in the organ procurement and transplantation process, from trauma nurses, to neurosurgeons, to organ procurement coordinators, to transplant surgeons. Acquiring organs necessarily involves directly approaching grieving family members who are confronting the unexpected traumatic death of someone who typically is young and in excellent health. And, this sensitive process must take place quickly.

The mission of the Partnership has been to establish a systematic approach to address the complex and sensitive issues involved in coordinating organ donation, and to develop and implement specific protocols and capabilities within the transplant communities which will lead to increases in organ donation and hence, transplantation. Based on experience acquired over a four year period of consulting in the organ procurement and transplant area, the Partnership has developed and tested such an approach to increase organ donation. We have successfully carried out a pilot project which we believe has tremendous potential to significantly increase access to this innovative technology.

Corporate Decisions worked closely with Kentucky Organ Donor Affiliates (KODA), the Kentucky Organ Procurement Organization, during 8 months of 1989 to implement major elements of what has now become the Partnership's strategy to increase donation. Working collaboratively with KODA, CDI helped establish training programs for KODA's management and staff, developed management tools to assure that the optimal series of events transpire during the critical 24-hours surrounding the declaration of brain death, and established multi-disciplinary strategy teams within each of the key hospitals and trauma centers to lead the effort within that hospital to increase donation.

The result of these efforts was a 20% increase in organ donors for KODA in 1989 as compared to 1988. These results are all the more significant given the current national environment of declining donation.

To date, the work of the Partnership has been funded entirely from private sources. Corporate Decisions is proud to have contributed considerable resources to develop this program to increase donation, to establish the program's efficacy in its work with KODA, and to form The Partnership for Organ Donation to continue the process of affecting positive change on a national basis.

## Program Components

The unique system developed by the Partnership is a five point program, the essential elements of which include:

1) **Intensive work with selected Organ Procurement Organizations** (OPOs). Throughout the nation, the federal government has mandated these 69 organizations to coordinate donor management, surgical procedures and the matching of donors and recipients. As the OPO is central to the donation process, it is paramount that it offer a consistently high level of service. As a result of past experience, The Partnership believes that organizational assistance and management support will enable OPOs to work more effectively. Few gains will be made before the OPOs become consistent, high quality service organizations.

2) **Focus on key trauma centers** will have the most dramatic impact on organ donation. As fewer than 20 percent of hospitals are responsible for over 80 percent of the donation potential, intensive education and superior on-site support at those key institutions is a prerequisite to improved performance. Collaborative working relationships among key trauma centers, the OPO and The Partnership have been paramount to the success of the program.

3) **Strong emphasis on the chain of events taking place in a hospital during the final hours of an individual's life** is the next crucial step to increase donation. Both recognition of the patient as a potential donor and the ensuing conversations are critical steps in determining whether a donation will be made. In this short span, families must confront not only the tragic and unexpected death of a loved one, but also are asked to consider donating that person's organs. The manner in which neurosurgeons, nurses, chaplains and OPO coordinators guide the emotionally traumatized family toward accepting death and discussing these sensitive issues will affect people whose very lives depend on receiving a new kidney, heart or liver.

4) **Professional education endorsed by relevant medical experts and organizations** will aid in ensuring that those key individuals involved in the donation process understand their proper roles. Through conferences and peer-to-peer education, The Partnership believes consensus can be gained on topics crucial to an increase in donation. Also critical are programs developed in order to teach physicians, nurses, and chaplains a coordinated method for effectively handling donor situations.

5) **Intensive public education** is the fifth element in relieving the shortage. Today, the public is aware of transplantation and the great majority of Americans are in favor of donation, but few have made the commitment to donate. The Partnership supports sponsoring a series of high quality education efforts that focus on changing behavior. Programs can be conducted through schools, corporations and family doctors in order to enhance each family's predisposition to donate.

The components are tied together by a close, collaborative working relationship between the trauma centers and hospitals, organ procurement organizations, and The Partnership. Taken together, the program is intended to promote family discussions of donation issues, to define the appropriate roles of healthcare professionals, and to establish a community norm supportive of donation.

## Demonstration Program

We urge the Subcommittee to include in its funding recommendations $1,000,000 for funding of a public / private demonstration program to evaluate implementation of this program on a larger scale. By proceeding with implementation in several geographically and demographically diverse regions, it will be possible to demonstrate that donation can be increased locally by 25% the first year and an additional 25% the second year.

We believe that the data collected in the pilot program described above, merits further evaluation and consideration through a larger scale and more rigorous demonstration program. Assuming success of this trial the system could then be launched nationwide with a goal of achieving a 50% or greater increase in the number of organ donations by the mid-1990's.

It is our understanding that several Federal agencies have expertise in transplantation or have indicated some interest in increasing the effectiveness of organ transplantation programs, including the

- Agency for Health Care Policy Research (AHCPR),
- Health Resources and Services Administration (HRSA),
- Health Care Financing Administration (HCFA), and
- National Institutes of Health (NIH).

We would be pleased to work with the Subcommittee to identify the specific agency where evaluation of this program would best be suited.

Thank you for the opportunity to present this information for your consideration. We believe that such a program will dramatically increase our ability to provide relief to many individuals presently awaiting an organ for transplantation.

Our track record with the pilot in Kentucky demonstrates that the Partnership will save lives.

# TESTIMONY BEFORE
# THE LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES SUBCOMMITTEE
# OF
# THE HOUSE COMMITTEE ON APPROPRIATIONS
BY
JAMES R. THOMPSON, GOVERNOR OF ILLINOIS;
RICHARD J. WALSH, PRESIDENT, ILLINOIS AFL-CIO;
AND LESTER W. BRANN, PRESIDENT, ILLINOIS STATE CHAMBER OF COMMERCE, ON BEHALF OF THE ILLINOIS EMPLOYERS' JOINT POLICY COMMITTEE ON UNEMPLOYMENT INSURANCE

Thank you, Mr. Chairman and members of the Subcommittee for the opportunity to present the view from the State of Illinois regarding the federal fiscal year 1991 budget for the nation's employment security system.

The federal government's responsibility is clear: provide the funds necessary for the proper and efficient administration of the federal job service and unemployment insurance programs. If Congress and the Administration are to even begin to meet that responsibility next year, the federal fiscal year 1991 budget for state job service and unemployment insurance activities must be increased by at least $375 million above the level initially proposed.

Of the $375 million, $163 million should be devoted to maintaining state job service activities, allowing for a four-percent inflation rate, at the level of operation for which the current year's budget provided prior to implementation of the across-the-board budget reconciliation cuts.

The remaining $212 million is based on the amount of state-generated revenues that 33 states, including Illinois, are already committing to maintain their employment security programs, again allowing for a four-percent inflation rate. During the current state fiscal year alone, Illinois will spend at least $25.7 million from its Special Administrative Account--the special state fund derived from penalties and interest collected under Illinois' unemployment insurance law and dedicated exclusively to employment security programs--on the administration of its unemployment insurance and job service programs. By the end of the year, continuing federal fund shortfalls will have virtually exhausted the once substantial balance in the Account.

As initially proposed, the federal fiscal year 1991 budget will confront Illinois' employment security system with a $13-million administrative fund shortfall in the next state fiscal year--even with the complete drawdown in that year of all available funds remaining in the Special Administrative Account.

A $13-million shortfall for that system could require the Illinois Department of Employment Security to close 20 to 30 local unemployment insurance-job service offices and lay off approximately 300 employees, notwithstanding the fact that the agency's staffing level is already at a historical low or that the state's unemployment insurance workloads are expected to increase in the upcoming year.

H.R. 4404 - the pending supplemental appropriation bill - would, as amended by the Senate Appropriations Committee, appropriate $99.6 million to address the cost of the current nationwide increase in unemployment insurance workloads and provide approximately $4.2 million more for Illinois' unemployment insurance program this year. The additional $4.2 million would reduce Illinois' shortfall for next year to $9 million, but, clearly, would by no means remedy the long term effects of the federal government's systematic underfunding of the state's employment security system.

Since federal fiscal year 1984, federal funding for Illinois' job service and unemployment insurance programs has steadily dropped, by a total of 20 percent after adjusting for inflation. Since federal fiscal year 1986, when the Gramm-Rudman-Hollings deficit reduction law took effect, that fall can only be attributed to a deliberate federal policy decision to accumulate employers' FUTA taxes within the Unemployment Trust Fund in order to hide the true size of the federal debt, notwithstanding the continuing erosion of the nation's employment security infrastructure.

From federal fiscal year 1986 through the current federal fiscal year, after adjusting for inflation, total available FUTA revenues annually available for the administration of state unemployment insurance and job service programs will have climbed by 36 percent, from $3.35 billion to $4.57 billion, while total federal funding annually provided for that purpose will have slumped by five percent, from $2.39 billion to $2.26 billion.

The persistent downward slide in federal funding has impacted Illinois' unemployment insurance and job service programs severely.

Staffing at the Department of Employment Security has been cut by more than 25 percent, from over 4,000 to under 3,000--the lowest level in the agency's history, and the Department's service delivery system has been cut by over 50 percent, through closings and consolidations of its local unemployment insurance-job service offices, from 128 local offices to 63.

Moreover, one-on-one services for unemployment insurance claimants and job service registrants - services of particular benefit to individuals first entering the work force or returning after a long absence - have been virtually eliminated.

Illinois' experience mirrors that of states across the nation. According to a survey conducted by the Employers' National Job Service Committee, 662 local unemployment insurance and job service offices have been shut down and more than 14,000 employees of state employment security agencies have been let go since 1980.

As long as the federal government persists in using FUTA revenues to mask the federal debt rather than to fully fund the nation's employment security system, that system will continue to dismantle itself.

The federal unemployment insurance and job service programs are rapidly approaching a crossroads. Adequately funded and properly administered, they can serve as effective tools with which to steer the American economy toward the future. If, however, the federal government continues to prefer budgetary parlor tricks over the needs of employers and job seekers in its use of FUTA funds, those programs may rapidly become little more than governmental relics from the past.

Thank you again for your time and attention.

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The
National
Association
for Proton
Therapy

# TESTIMONY PRESENTED TO THE
# SUBCOMMITTEE ON
# LABOR, HEALTH AND HUMAN SERVICES
# COMMITTEE ON APPROPRIATIONS
# U.S. HOUSE OF REPRESENTATIVES

APRIL 27, 1990

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Mr. Chairman, I am Leonard Arzt and I am Executive Director of a new organization, the National Association for Proton Therapy. We are a non-profit public benefit corporation formed to promote on a national scale the therapeutic benefits of proton cancer therapy in the United States. Through the generous support of the subcommittee on energy and water development, the world's first hospital-based proton beam accelerator dedicated to cancer treatment and medical research, developed in conjunction with the Department of Energy's Fermi National Accelerator Laboratory, will open for patient care this summer at Loma Linda University Medical Center in southern California.

The proton accelerator at Loma Linda University is a paramount example of U.S. scientific leadership in the world of physics, medicine, health, and healing applications and is the direct result of some forty years of federal government support at the large national laboratories. The transfer of this technology has begun with the Loma Linda system.

The mission of the National Association for Proton Therapy is to make available to primary care physicians, through radiation oncologists, the benefits of this technology. Making this medical advance available in a hospital setting will save some patients from the effects of cancer, will improve the quality of life for other patients, and will reduce the untoward effects of conventional treatments. These objectives can be accomplished if proton therapy is easily available to patients and referring physicians, wherever they may reside and practice.

Every year in the United States, physicians fail to control cancer in more than 225,000 people with localized disease, even though the patients are treated when the cancer is still localized. This problem has long been recognized as one of the major shortcomings of traditional cancer treatment methodologies. Proton therapy -- which uses a beam of protons to destroy cancer cells -- provides precise, effective treatment without the severe side-effects associated with current forms of cancer treatment. Throughout the world, proton therapy has been used to treat more than 8,500 patients with various forms of cancer and benign diseases.

The NAPT asserts that the national investment in this high-technology medicine would be a cost-benefit to society. It would offer the opportunity to greatly increase control of localized cancer while reducing the side effects associated with some current modalities, thus saving lives and avoiding much of the morbidity associated with cancer therapy.

The vision of the NAPT is that a well informed public, not afraid of early detection of cancer or of its treatment, and cognizant of the benefits of proton therapy, will more actively seek treatment. To enhance this result, NAPT envisions a group of facilities available in the major geographic regions of the nation, to which patients may come.

The NAPT will be supported and sustained by selected, highly qualified medical institutions that will directly benefit from our public initiatives to integrate proton therapy cancer treatment into our national culture. We are currently developing Association memberships and working with various corporate groups to support the Association's goals.

Among the Association's findings, supported by the National Cancer Institute, (concerning cancer in America), we know that:

* Cancer strikes one in four Americans.
* Cancer kills 500,000 Americans each year.
* Proton therapy cancer treatment has been demonstrated to be effective in more than 8,500 patients worldwide.
* Proton therapy is more precise than conventional radiation treatment.
* Availability of proton cancer treatment is very limited by the lack of treatment facilities; and
* Increased utilization of proton therapy would result from the availability of regional clinical treatment facilities and awareness of the benefits of the technology.
* We believe, therefore, that in the interests of reduced health costs, increased cancer control, reduced treatment morbidity, and more lives saved, a demonstration program should be established to support the transfer of proton treatment technology to clinical applications.

We propose the establishment of a PROTON CANCER TREATMENT DEMONSTRATION PROGRAM. The purpose of which is to demonstrate an effective technology transfer of the government's high energy physics research program, developed by the national laboratories, to the medical community. The objective of the program is to assist a limited number of qualified medical centers in financing proton beam treatment facilities. This would greatly increase the availability and utilization of proton therapy.

We project the need for five regional proton therapy centers within the next five to ten years. Each center would be cost-shared by an eligible medical institution. The cost being approximately $130 million for the demonstration program.

Mr. Chairman, I appreciate this opportunity to present a statement on behalf of the National Association for Proton Therapy and respectfully request the committee's continuing support and interest in furthering the development of proton cancer treatment in the United States. Thank you very much.

TESTIMONY TO

THE HONORABLE U.S. HOUSE OF REPRESENTATIVES
(APPROPRIATIONS COMMITTEE)

FROM

THE FREDERICK E. MORGAN FAMILY

ON BEHALF OF

THE FOUNDATION FOR ICTHYOSIS AND RELATED SKIN TYPES, INC.
(F.I.R.S.T.)

AND

THE NATIONAL INSTITUTE OF ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES
(N.I.A.M.S.)

APRIL 25, 1990

I am not going to innundate you with any kind of statistics pertaining to the number of unfunded research grants that fali through the cracks at The National Institute of Health from our particular division, N.I.A.M.S.

My family and our friends at The Foundation For Icthyosis and Related Skin Types, Inc. want you to know that we desperately need research developed for ourselves and our loved ones to ease the pains dealt with on a day to day basis. People with Icthyosis have major scaling and or blistering problems. They do not sweat properly, if at all, and overheat easily. Infections are picked up by even shaking hands or hugging. Eye surgery is needed in some instances to prevent retinal damage to the eye. Reverse isolation is needed for hospitalizations. Everyday routines include much more than brushing their teeth and combing their hair. For moderate comfort and cosmetic reasons soaking in a tub two to three times a day and covering the body from head to toe with lubricants and sluffing agents is a must. I would like to add that sluffing agents sting the skin, especially where there are cuts and cracks.

In addition to the above mentioned medical problems and daily routines that are required there are many obvious psychological and physical problems that must be addressed. I could go on and on. I won't. I simply want you to consider the quality of life for people with Icthyosis. Funding for research grants for N.I.A.M.S. at N.I.H. could lead to specific breakthroughs that could give millions of people a more reasonable quality to their lives.

We at F.I.R.S.T. appeal to your sense of humanity when you set the funding for N.I.A.M.S. We need your help and the help of the talented personnel at N.I.H. Thank you for any and all consideration you can give us.

The Frederick E. Morgan Family
of Ellicott City, Md. and our
friends of F.I.R.S.T.

AHSR

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# STATEMENT
# OF THE
# ASSOCIATION FOR HEALTH SERVICES RESEARCH

submitted to the

Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies

House Appropriations Committee

April 30, 1990

AHSR

The Association for Health Services Research (AHSR) is pleased to submit this statement to the Subcommittee in support of FY 1991 appropriations for the Agency for Health Care Policy and Research (AHCPR) and for the Office of Research and Demonstrations in the Health Care Financing Administration (ORD).

The AHSR is the national professional association of health services researchers and users of research. It includes 1300 individual members and 90 institutional members throughout the United States. In addition to health services researchers, the membership includes a broad spectrum of users, including federal and state policymakers, health care providers and managers, insurance and health industry officials, and private foundation staff. The Association is dedicated to promoting and strengthening the field of health services research and improving communication between researchers and users.

As the Appropriations Committee is well aware, the issues confronting the nation and the Congress in health care are enormously complex -- and expensive. The Congressional Budget Office projects baseline federal health and Medicare spending of $152 billion in FY 1990, growing to $269 billion by FY 1995. This is the fastest growing item in the budget -- health and Medicare account for one-third of the total growth projected in federal spending between FY 1990 and FY 1995.

AHSR's funding recommendations suggest an investment of approximately one-tenth of one percent (.001) of this amount for health services research. The rationale for that investment is clear: health services research is the only consistent source of objective information that aids policymakers in identifying issues, considering and implementing policy changes, and evaluating the impact of those changes.

The track record of health services research is long and impressive. It has provided analyses of hospital costs, and was the source of the Diagnostic Related Groups that provided the basis for implementing the Prospective Payment System. It now provides the objective evaluations which have identified important problems Congress has been addressing. Health services research also provided the analyses of physician payment options, and the resource-based relative value scale -- the policy "tool" that allowed the Congress to consider and enact physician payment reform. Additional research will help refine that system and will provide the information necessary to evaluate how the new system is being implemented.

Health services research encompasses the wide range of problems facing the health care system. In addition to Medicare financing issues, the field is providing information critical to current and future policy developments on the uninsured, on AIDS financing and delivery issues, on maternal and child health issues, on long-term care, and on the impact of alternative financing and delivery systems on costs and quality. It provided the pathbreaking studies on small area variations in health practices, and on outcomes and effectiveness, that makes possible the current medical effectiveness initiative. More will be said about this issue later in the testimony.

Although the results of health services research do not carry the label "this information was generated by health services research," it is clear that prior investments in research have yielded substantial results and provide much of the information framing today's issues. And, today's investments are crucial for informing tomorrow's critical decisions in health care.

Without health services research, Congress and other policymakers would be without the information and ideas generated by this research -- such as DRGs or the relative value scale -- and would have no way of objectively assessing the impact of policy choices on individuals or health care institutions. It is highly likely that every witness presenting testimony to this Subcommittee on any issue related to health care financing or delivery will use the results of health services research. As this Subcommittee knows, research will not provide the final policy decisions -- but it will help to objectively define issues and alternatives to allow you to make the policy and political judgements necessary.

The Administration and the Congress have recognized the challenges and research opportunities before us and the need for action. The health services research community appreciates the fact that the Appropriations Committees last year provided a much-needed enhancement in funding of the Medical Treatment Effectiveness Initiative. The Congress subsequently provided significant new authority for funding further research, and established the new Agency for Health Care Policy and Research (AHCPR) to lead our nation's future efforts in health services research.

**Summary of AHSR Recommendations**

As we embark on that research effort by AHCPR and by HCFA's Office of Research and Demonstrations, the AHSR recommends that the Subcommittee provide the following appropriations levels for health services research in FY 1991:

**Summary of FY 1991 Funding Recommendations**

| | |
|---|---|
| **Agency for Health Care Policy and Research:** | |
| - General Agency Appropriation: | $25.6 million |
| - Outcomes and Effectiveness Research | $75.0 million |
| - 1 percent Evaluation Funds | |
| **HCFA Research and Demonstrations:** | $45.0 million |

We recommend that the Subcommittee focus its funding in FY 1991 on two vitally important efforts:

- First, funding of the necessary infrastructure at the "front" and "back" end of the research process. This requires training of those needed to perform future research. And it requires a process for dissemination of the research results, to be sure that people who need these results to make policy, practice, and management decisions have easy access to that information.

- Second, of course, is funding of high priority research itself. This includes further funding for the Medical Effectiveness Initiative, as well as funding for other vitally important research efforts such as evaluation of the implementation of physician payment reform and research that can lead to program efficiencies.

**AHCPR Funding for Infrastructure: Training and Dissemination**

As we see look to the pressing needs confronting us and the broad array of valuable, but unfunded research proposals, it is tempting to focus all our attention on the need to increase support for the research itself. However, at this critical junction -- with the new agency now in place and the research needs and opportunities unfolding before us -- AHSR also recommends attention to two building blocks that are key to the success of any research program - i.e. training and dissemination. Before addressing the research needs and priorities, we would like to focus on these two building blocks.

**Training**: First, with the greatly expanded outcomes research effort and the other pressing problems facing the health care system, we need to build the base of skilled and committed researchers who can carry out the multidisciplinary research agenda envisioned at AHCPR and HCFA. Programs like the Robert Wood Johnson Clinical Scholars program have funded a small core of clinician researchers. In addition, the National Research Service Awards (NRSA) provide $1.3 million in funding for research training through AHCPR. But a much broader commitment is needed.

Just as Congress has so correctly committed funds to ensure a continuing pipeline of skilled biomedical researchers through the training programs at NIH, a similar commitment is more important than ever in health services research. What is needed is a sustained commitment to an AHCPR training program like those at the NIH and the VA -- with pre-doctoral training, post-doctoral training, and awards to support young researchers early in their careers. This subcommittee, other policymakers, and the health system generally requires access to that broad base of experts advancing the research frontiers and challenging the medical care system. Collectively, these experts ought to be viewed as a national resource of "human capital."

The AHSR recommends that $2 million be allocated to enhance the training program in FY 1991, over and above the $1.3 million for NRSA awards currently allocated to AHCPR in the President's budget.

**Dissemination**: The second component of the research infrastructure that merits increased attention is the need to develop and implement improved dissemination techniques. Training of researchers, and funding and completion of even the best research, is not enough. For understandable reasons, there is an all too common tendency for research to stay "on the shelf," or to be published solely in professional journals that are read only by researchers.

It is more crucial than ever that health care providers, policymakers, and managers have access to the best information possible to help them make difficult decisions. Whether it be a member of Congress trying to understand the problems of small rural hospitals or the long term care needs of the elderly; a hospital administrator dealing with problems of nursing shortages or improving their discharge planning process; or a physician faced with ambiguous treatment options for a particular disease -- they need the information generated by health services research to make the most informed decisions possible.

AHSR believes that two elements of dissemination are critical to a successful program -- the dissemination itself, and research into improving methods for reaching the various audiences with the appropriate information.

AHCPR has a broad mandate to "promptly publish or otherwise make available the results of activities funded by the agency." In the past, the National Center for Health Services Research (NCHSR), the predecessor to AHCPR, supported some dissemination activities, most notably its efforts to disseminate information to state and local officials. We are aware of current efforts at AHCPR to expand its dissemination activities, and we commend the agency for its renewed commitment to this important area.

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In addition to its general mandate, the agency also has a specific charge to disseminate research results and clinical guidelines developed under the Medical Effectiveness Treatment Program to providers, educators and consumers. This activity is particularly important given the nature of the research. Findings from research, and the resulting practice guidelines must be promptly and accurately disseminated to health care providers, managers, payors, and patients in order for those results to be understood and to eventually yield changes in behavior. Further, it is necessary to assure ongoing access to the databases and research methodologies that will be developed so that a broad spectrum of public and private entities can review, challenge, and advance our knowledge in this field.

It is critical that effective models for disseminating the broad spectrum of AHCPR research be carefully developed in these early years to assure that there is a framework in place -- a "pipeline," if you will, trustworthy for all involved in the process -- as research results and practice guidelines become available.

The second component of the dissemination effort is research on the most effective means of disseminating different kinds of information to different audiences. For example, the ultimate success of the outcomes research program and the guideline development process will be changes in physician, educators and consumer behavior. Yet we know relatively little about the dissemination options available and the likely success of each.

While we do not think it is appropriate to earmark funds for dissemination, we would ask the committee to highlight the importance of these activities and the need for increased attention to this area of AHCPR's programs.

**AHCPR: Medical Treatment Effectiveness Program**

Last year, the Appropriations Conference Committee provided a total of approximately $32.5 million for outcomes and effectiveness research. In addition, the Congress enacted new legislation to expand this program significantly, and, recognizing the importance of these findings to the Medicare population and programs, required a substantial contribution to this effort from Medicare Trust funds. In FY 1991, $75 million in funding is authorized -- including $50 million from the Medicare Trust Funds.

The Administration has recommended only $42.065 million in appropriated funds for this program for FY 1991 -- which is less than their initial recommendation for FY 1990 -- $52 million. We strongly recommend funding this effort at $75 million. If this program is to fulfill the commitment of enhancing our understanding of ways to improve the effectiveness and appropriateness of health care services, and to develop clinical practice guidelines, it must be given adequate funding to carry out the broad-based agenda this mandate requires. This includes research, data base development, funding for the Forum for Quality and Effectiveness in Health Care to develop clinical guidelines (including guidelines and review criteria for three conditions under Medicare for use by January 1, 1991), training and dissemination.

Information gleaned from this spectrum of activities will allow you to better understand utilization patterns and the value received from our nation's public and private spending on health care. Only with that information can you identify changes needed to improve the appropriateness of health care services and the value we receive for our health care dollar.

The Medical Effectiveness Treatment Program is currently funding four major grants to support outcome research assessment teams:

- Richard Deyo, M.D., University of Washington, along with the Maine Medical Assessment Foundation, will assess nonsurgical interventions for low back pain, and different types of lumbar spine surgery for back problems, especially for spinal stenosis -- the leading cause of back pain hospitalizations among the elderly.
- Barbara J. McNeill, M.D., Harvard Medical School will establish a national data base of information about patient outcomes from the use of alternative treatments for myocardial infarction -- a condition which strikes an estimated 320,000 Medicare beneficiaries annually.
- Earl P. Steinberg, M.D., Johns Hopkins University, will assess three different procedures for the treatment of cataracts. Over one million cataract operations are performed annually on Medicare beneficiaries.

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- John E. Wennberg, M.D., Dartmouth Medical School, will assess transurethral resection, open prostate surgery, and nonsurgical interventions for enlargement of the prostate.

In addition to these major grants, AHCPR awarded seven planning grants for assessment teams evaluating an array of medical procedures: hip disease, colonoscopy, peripheral vascular diseases, stroke, cholecystectomy, coronary artery disease, and gallstone disease.

In future years, outcomes and effectiveness research will continue to address issues related to the appropriateness and effectiveness of specific conditions or procedures. However, it will also address a broader set of issues related to outcomes, such as the impact of financial incentives, organizational models or a patient's socio-economic status on the outcome of care.

**AHCPR: General Health Services Research and Technology Assessment**

The recent interest in MEDTEP has had the unfortunate side-effect of obscuring the need for funding for other vitally important health services research efforts. Support for this research has dropped to pitifully low levels in recent years. In 1989, federal funds for general research at NCHSR totaled $16.8 million. In 1990, those funds were reduced to $12.2 million; the President's budget proposes to retain that $12.2 million funding level in FY 1991 for the new AHCPR.

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The new agency has a broad mandate to conduct research in areas of great value to Congressional policymakers, the Administration, and providers and decisionmakers in the private sector. Exciting research opportunities are evolving in the field, but remain unfunded. Large and small grant applications to NCHSR, and now AHCPR, have more than doubled in four years, from 139 in FY 1985, to 280 in FY 1990. Last year, there were about 100 projects, totaling $25.5 million, that were approved, but could not be funded due to budgetary constraints.

The importance of starting to rebuild the base of support for the general programs at AHCPR cannot be overestimated. Many of the issues Congress and the private sector must address over the next few years do not fall within the scope of the outcomes research initiative. For example, developing solutions to the problems of the uninsured/underinsured, figuring out viable models for delivering care to rural Americans, and identifying the needs and evaluating options for improving the health of minorities and other disadvantaged populations all depend, in part, on an information base of health services research.

It is critical to note that much of what Congress knows today about the health system and the policy options available to address its problems was learned through research funded under the general health services research program at NCHSR. The most stark example of this is the DRG concept. We would not have DRGs and the current Medicare prospective payment system without support for the fundamental research on which DRGs were based. At the time (1969), no one ever dreamed the importance this would have two decades later.

AHCPR research will include areas of high priority to the Congress, such as medical liability and health care costs and productivity. The medical liability and malpractice issues are among the most vexing facing the public and private sectors today. Recent research in New York indicated that the number of malpractice claims filed represents just one-eighth of the total number of patients suffering injury from negligence. At the same time, claims are filed in which there is no apparent evidence of negligence. Numerous public and private groups are examining alternatives to the quality assurance system, the liability insurance system, and/or the legal system. However, there is a need for objective research to assess what works and what does not, and to evaluate the options being pursued by various states. The AHCPR will be directing additional attention to these issues in the coming years.

A major commitment to research on health system productivity research is also required. Public and private payment changes, including Medicare's revised hospital payment system, have constrained the rate of increase in payments to hospitals. It was anticipated that these budget constraints would provide an incentive for health care providers to find new and better ways of delivering their services. Instead, most institutions have simply reduced costs at the margin without substantially changing the way in which services are provided. Thus while some savings have been realized, the underlying structure of health care delivery remains very costly.

Prominent observers, including the Chair of the Prospective Payment Assessment Commission, are calling for a substantial program of research on health system productivity. That research would allow policymakers and private entities involved in health care financing and delivery to better understand costs and productivity, and more importantly, to learn what works and what does not as they begin to make the changes necessary to deal with future constraints on resources available to them.

These are just a few of the many important issues needing attention of the research community. Without an increase in support for AHCPR, our ability to address key questions is threatened.

We recognize the budget constraints Congress faces and thus request only a modest increase over the President's request of $10 million, bringing the general appropriation up from $12.226 to $22.226 million. This will allow AHCPR to fund some additional projects in the important areas previously discussed.

**Health Care Financing Administration/Office of Research and Demonstrations (HCFA/ORD)**

The Office of Research and Demonstrations (ORD) in the Health Care Financing Administration (HCFA) funds research on HCFA programs -- Medicare and Medicaid -- much of which has applicability to broader health financing issues as well.

AHSR

ORD has a long record of accomplishment in its research and demonstration programs, which has led to significant changes in HCFA programs. For example, research on overpriced physicians' services led to policy changes that HCFA estimates save Medicare more than $100 million annually. HCFA funding helped generate the resource-based relative value scale which serves as the core element of the recently enacted Medicare physician payment reform. This was the first major reform in a quarter century in Medicare's physician payment methodology -- an important step, because as this Subcommittee knows, Part B of Medicare is the fastest growing component of the program budget. ORD has funded evaluations of rural health systems, demonstrations on service delivery approaches for Alzheimer patients, and an array of other projects directly relevant to current and future Medicare and Medicaid program issues.

HCFA's plans for FY 1991 call for research, demonstrations, and evaluations in a number of priority areas:

- Continued access to quality of care for Medicare and Medicaid beneficiaries, and improved methods of measuring quality of care;
- Reform of the current payment systems for outpatient care, and refinement of the physician payment system as it is implemented, focusing on approaches to understand and constrain the growth in spending;
- Studies of alternative payment systems, competition, and consumer choice;

- Continued improvement in the Medicare hospital prospective payment system (PPS), including study of the impact of PPS on specific segments of the health system such as rural health;
- Further research on health care prevention;
- Further research on long-term care, sub-acute care, and utilization.

Unfortunately, the President's budget requests just $36 million for the ORD budget. In FY 1990, the Office will spend an estimated $32 million for its ongoing research program, and another $18 million on the special Rural Health Transition grants enacted by the Congress. It is important to note that this Office's ongoing research program has had to be severely constrained over the past decade. By way of comparison with the President's $36 million request for FY 1991, eleven years ago, in FY 1980, the HCFA/ORD budget was $46 million.

Last year, the Office did not even issue its annual solicitation of proposals, and was able to award only $1.5 million in new research grants. Our understanding is that this year's budget would still yield only about $5 million in new starts.

AHSR proposes funding of $45 million FY 1991 -- an increase of $9 million over the administration's request. This is still less than the FY 1980 level even before adjusting for inflation over the past eleven years. It will allow HCFA/ORD to begin developing and funding a more adequate level of new initiatives in the priority areas noted above.

AHSR

The Association for Health Services Research again wishes to thank the Subcommittee for its interest and commitment to health services research, and looks forward to working with you in funding these important efforts.

The Gerontological Society of America
RESEARCH, PRACTICE AND EDUCATION IN AGING
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STATEMENT
OF
THE GERONTOLOGICAL SOCIETY OF AMERICA

SUBCOMMITTTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF RESPRESENTATIVES

ADDRESSING
FY 1991 APPROPRIATIONS
Gerontological Research, Education, and Training

April 1990

Mr. Chairman, members of the Committee, The Gerontological Society of America appreciates the opportunity to submit to you our testimony on behalf of federal support for gerontological research, education, and training programs for the National Institute on Aging and the Administration on Aging.

More people are living longer. During this century, life expectancy at birth has increased from about 47 years for men and 49 years for women in 1900 to an estimated 71.5 for men and 78.8 years for women in 1985. According to a report published by the Office of Technology Assessment (OTA), Technology and Aging in America, people are living longer largely due to technological improvements that include advances in public hygiene and sanitation, reductions in the prevalence of infectious diseases through immunization and antibiotics, and the continued improvement and accessiblility of general health care to all persons. The effects of these advances have been most noticeable at the earlier ages, where dramatic improvements have increased the probability of surviving beyond the first year of life.

It is only in more recent years that headway has been made in reducing mortality rates at-the older ages. A report published by the Office of Technology Assessment states that "more than half of the improvement in life expectancy for the elderly since 1950 has occurred in the past decade."

As years are added to life, research also has begun to look at how to make those added years healthier years.

The National Institute on Aging, created only in 1975, has made significant progress with a relatively small budget in developing sound information about what is "normal" aging and what is a result of disease, as well as important knowledge about behaviors and interventions that can lead to a healthier old age.

While aging research is just gathering momentum, the nation is trying to figure out how to deal with a rapidly growing deficit. Domestic program budgets are being frozen or cut back. We are at a crossroads in charting our future course. The budget deficit must be brought under control. Yet, we must not lose sight of the long-term impacts of the means we choose to accomplish this.

Gerontological research and training programs take on increased significance with the expansion of the older population and the simultaneous increases in health care expenditures. The more we learn about what occurs as part of the aging process and what can be attributed to other factors, the better we understand the potential for improving the health of older people through disease prevention and health promotion.

In developing our recommendations for FY 1991, we have tried to keep in mind the tight fiscal constraints under which Congress is operating, making recommendations that maximize the use of existing resources. However, at the same time, we have emphasized the long-term critical role played by these programs and that these "standstill" budgets cannot be continued without major negative consequences.

Administration on Aging. The President's budget for the Admininstration on Aging includes $1 million for a White House Conference on Aging. Rather than calling for additional monies at this time, The Gerontological Society urges that this money be used to give AoA the resources needed to take on a broader, more key role in aging issues, if a conference is not called.

A very broad mandate is found in Title II of the Older Americans Act and discretionary funds are found in Title IV. Together, these can be used by the Commissioner on Aging to help the Department of Health and Human Services and Congress get on top of emerging aging-related issues.

Focusing attention on the Administration on Aging is not intended to suggest that AoA is the only or the foremost federal agency addressing issues of an aging society. The Social Security Administration and the Health Care Financing Administration administer enormous federal benefit programs, and the National Institute on Aging the National Institute of Mental Health fund scientific investigations critical to the well-being of older Americans.

What the Administration on Aging does provide is an existing set of structures and resources to employ in generating data and policy options.

The National Institute on Aging. In addressing the appropriations for the National Institute on Aging, the only acceptable rationale for maintaining NIA's budget at basically a "standstill" level is that it is a short term "sacrifice."

As the Gerontological Society has testified in the past, the National Institute on Aging has had budget increases in recent years that barely allow the agency to sustain its current program. Increases primarily have been earmarked for specific programs (e.g., research on AIDS and Alzheimer's), but have not significantly increased research in the basic sciences and other important areas of inquiry that could lead to improvements in the health of older persons.

The impact of this spending slowdown is already visible. The growing gap between research opportunities in the field of aging and the lack of sufficient funds to support them is evidenced by fewer approved grants being funded, funded grants being subjected to the practice of "downward negotiations" of between 10 and 14 percent after they are awarded, and research centers being supported at reduced levels. As stated in the budget document developed by the Ad Hoc Group for Medical Research, "Because of present funding policies, thousands of important research proposals are not being supported and may never be pursued. This not only weakens research, but may drive promising young people into other careers and discourage established scientists from continuing critical work."

There remains a serious shortage of researchers and basic scientists, as well as trained professionals to care for the health needs of older persons. Shortages of faculty and other leaders with adequate preparation in geriatrics to train the needed health professionals also continues to be a problem.

Another critical concern raised in our testimony last year is the deteriorating condition of the infrastructure and resources necessary for carrying out the needed research. These include facilities, equipment, and people. We reported last year that NIA has experienced a 7 percent reduction in staff over the past five years, while at the same time its budget has jumped from $144 million in FY 1985 to $222.9 million in FY 1989.

The deterioration of this country's research facilities is not a popular cause in Congress simply because of the expense involved. However, these facilities are the foundation for conducting research and if an investment is not made soon, no matter how modest, to repair, renovate, and replace existing facilities (not constructing new ones) we will limit our ability to take advantage of future opportunities. "Good science simply cannot be sustained in deteriorating laboratories with obsolete equipment and instrumentation." (Ad Hoc Coalition for Medical Research Funding)

Another issue that threatens the ongoing research effort is the inadequate number of new scientists being trained for future research. Data from a number of sources, including the National Institute on Aging, the National Academy of Sciences (NAS), and the National Science Foundation (NSF), indicate a current shortage of certain types of scientists and suggest the likelihood of far greater shortages in the near future.

Since the training period for becoming a fully qualified investigator is long, it is critical that trainees get into the pipeline as soon as possible to ensure a continual cadre of highly trained scientists. "If science is to move forward, it is absolutely necessary to maintain a reasonable level of new opportunities to attract young scientists into research. More rational funding policy must be established; severe fluctuations in numbers of new opportunities discourage promising young investigators from considering careers in research." (Ad Hoc Coalition for Medical Research Funding)

Funding for the Biomedical Research Support Grant (BRSG) program continues to be neglected. If institutions are going to meet their increasingly complex research needs, they must have resources to provide support for young investigators who have yet to receive grants, for small pilot projects for innovative research ideas and for interim funding between grant-supported projects. This year's Administration's budget not only reduces spending, but also attempts to meet other pressing program needs by diluting this essential effort even further.

The important role of research is well recognized and appreciated beyond the research community. A survey conducted by Penn + Schoen Associates in 1989 found that 76 percent of all Americans believe the federal government should make a NASA-like commitment for a program of research to ensure the health and independence of older Americans. In addition, the bipartisan Pepper Commission, in a recent report to Congress, recommended that the federal government "should move aggressively to contain costs and mitigate human suffering by funding a research and development program aimed at preventing, delaying and leading with long-term illnesses and disabilities." The Commission further recommended that the research effort should move toward a funding level of $1 billion annually.

The Gerontological Society sees the Pepper Commission's recommendation as a step in the right direction in recognizing the critical role research plays in addressing escalating health care and human costs related to aging. However, research efforts cannot be limited to diseases. Research efforts must continue to look at the "normal" aging process and ways to maximize successful, healthy aging.

In conclusion, a short term "standstill" budget for gerontological research and training, along with other federal programs, could be tolerated for a longer term gain of a reduced federal deficit and a healthier economy. However, continuing this pattern could have devastating, potentially costly consequences.

The Gerontological Society has joined with more than 140 other medical and scientific societies and voluntary health organizations dedicated to the future of biomedical research to support the budget proposals developed by the Ad Hoc Group for Medical Research Funding for the National Institutes of Health and the Alcohol, Drug Abuse and Mental Health Administration.

Indian and Native American
Employment and Training Coalition

# Statement on the FY 1991 Budget Request for Indian and Native American JTPA Programs

The Indian and Native American programs authorized under the Job Training Partnership Act are the major source of support for the employment and training services available to Indian, Native Alaskan and Native Hawaiian people.

In Program Year 1988, the latest period for which figures are available, the Indian program in Section 401 of Title IV of JTPA served nearly 31,000 people. Despite the very high levels of unemployment affecting nearly all Native American communities, 52% of those terminating from the program found jobs. Over 86% of those terminating from the program either found jobs or successfully upgraded their education and work skills.

Indian reservation youth, as well as Native Alaskan and Native Hawaiian youth, also receive services through a special Indian set-aside currently authorized in Title II-B of JTPA. This program serves an estimated 12,000 economically disadvantaged Native American youth.

In considering the budget request for these two Native American JTPA programs in FY 1991, please keep in mind:

Information Office 1000 Wisconsin Avenue, Northwest, Washington, DC 20007 (202) 342-0594 FAX (202) 342-1132

1. **The increase in the federal minimum wage will have a substantial impact on the number of program slots.**

Unemployment continues to be a major scourge among Indian people. Nearly two-thirds of those served by the Indian Title IV program have either been out of work for extensive periods of time or have dropped out of the labor force altogether because of a lack of jobs. As a result, most Indian JTPA grantees offer some form of work experience services as a way of building job skills and work histories, and of alleviating the burden of unemployment in Native American communities.

All of these work experience positions, including all the Summer Youth positions, are covered by the recent increase in the federal minimum wage or by even higher increases in state minimums.

Using data for JTPA Program Year 1988, the Coalition estimates that 2,000 work opportunities will be lost in the Indian Title IV program unless there is an adjustment in funding to compensate for the federally-mandated increase in the minimum wage. Additional positions in classroom training activities are also jeopardized.

An increase in Indian Title IV funding on the order of $5.25 million is necessary just to maintain current service levels.

The minimum wage increase also affects the number of slots that can be made available under the Indian set-aside portion of the Title II-B Summer Youth program. A reduction of approximately 2,500 slots will occur unless there is more money for this program. Over $2 million is necessary to preserve the current number of work and training opportunities for Indian reservation, Native Alaskan and Native Hawaiian youth.

2. **Funds have shrunk over the years, but the need continues to increase.**

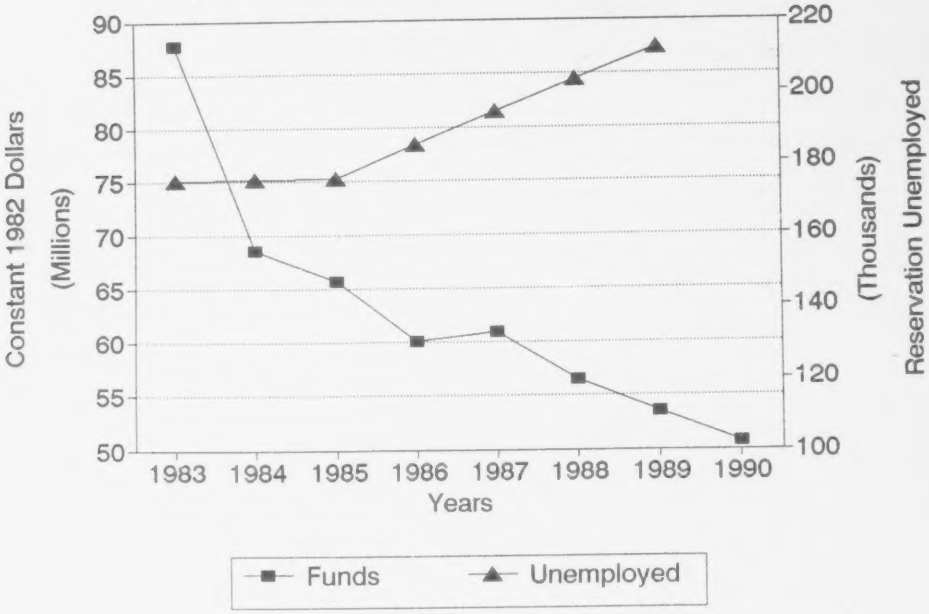
The attached chart illustrates the problem. Measured in constant (inflation-adjusted) dollars, the total amount of funds appropriated for Indian job training has shrunk 42% between FY 1983 and FY 1990. At the same time, figures from the Bureau of Indian Affairs' biennial labor force survey show that the number of jobless Indian workers in BIA service areas alone has gone up 21% between 1983 and 1989.

3. **The Administration has requested an increase in Indian JTPA funding for FY 91, but incorrectly calculated the amount of the increase.**

The budget request for FY 91 assumes passage of the Administration's proposed amendments to JTPA. That proposal (HR 2803) sets the funding formula for Indian Title IV programs as 2.95% of the amount available for both youth and adult programs in Title II.

This means that the Administration's request for "Federally Administered Native American Programs" should have been $79.2

## *Funding and Need for Indian JTPA Programs*



Sources:

Funding data, US Department of Labor
Unemployment data, Bureau of Indian Affairs
US Department of the Interior

million -- more than $1.6 million above the $77.6 million actually requested.

4. **Funds should continue to be appropriated for both the Native American program currently authorized in Title IV of JTPA and for services to Native American youth now funded under Title II-B.**

The Administration's request combines both of the current Indian JTPA programs into one. Indian and Native American groups oppose this approach, favoring a continued distinction between the Native American programs separately authorized in Title IV and Title II-B. HR 2039, the package of JTPA amendments introduced by Mr. Hawkins, Chairman of the Education and Labor Committee, would continue funding for both programs. Following the Administration's approach and abolishing the services now provided to Native American youth under Title II-B would radically and adversely impact reservation, Native Alaskan and Native Hawaiian communities.

**Recommendations**

In summary, we urge the Committee to appropriate at least **$80 million for Federally Administered Native American Programs as currently authorized in Title IV** of JTPA and at least **$20 million for special services to Indian youth** of the type now available under Title II-B of current law.

# Testimony Regarding the Adoption Opportunities Program, Title II of the Child Abuse Prevention and Treatment Act

Submitted by:

Carolyn L. Johnson
Executive Director
National Adoption Center
Philadelphia, PA
April 6, 1990

I am writing today in my capacity as the founder and Executive Director of two not for profit corporations, the Adoption Center of Delaware Valley (ACDV) and the National Adoption Center (NAC), and as an adoptive parent of three children with special needs. The ACDV operates a regional adoption exchange which serves New Jersey, Delaware and Southeastern Pennsylvania. Licensed adoption agencies register children who are waiting to be adopted and families who are approved to adopt. The ACDV staff suggest "matches" to the appropriate agencies, refers families to agencies for home studies, provides for extensive information and referral service and recruits families for the waiting children. The NAC, through its computerized telecommunications system, the National Adoption Network, links 100 adoption agencies, state and regional exchanges and parent groups across the country. The Network provides a database of waiting children and prospective families, an electronic mail service and bulletin boards to keep members current about adoption practices. Through the Network, members can "match" waiting children and parents. The NAC also conducts an on-going public awareness and recruitment program to benefit the 35,000 children waiting to be adopted in this country.

I will address the need for increased funding for the two special initiatives which are a part of the Adoption Opportunities Act - Post Legal Adoption Services and Minority Children Placements Program, whose appropriation levels for FY 1990 are $1 million and $800,000 respectively. I believe that each of these programs needs to be funded at the $5 million level and the basic program of the Adoption Opportunities Act needs to be continued at $5 million.

Minority Children Placements Program

The ACDV is currently seeking homes for close to 400 children, 73% of whom are of minority backgrounds. Unfortunately, of the 407 families who are approved to adopt and are registered with us, only 27% are minorities. A closer look at the minority children indicates that 66% are male, 52% are between the ages of 6 and 12, 17% are over age 12 and 45% are members of sibling groups who must not be separated. In addition to these factors, 75% of the children are disabled due to mental retardation, serious learning problems, emotional disturbances or physical limitations. An increasing number of children with multiple problems due to drug use by their mothers are also coming to our attention.

In our seventeen year history we have found that while media recruitment will attract many families, often minority families have many myths about the adoption process and are reluctanct to respond. More intensive, personalized recruitment efforts are needed to reach families through their churches, civic organizations and places of business.

An indication of the interest in and need for providing these recruitment and placement services nationwide is the flood of proposals that were sent to the Department of Health and Human Services in FY 1989. At that time only $500,000 was available for the Minority Children Placements Program and 70 proposals were received totaling $5.25 million.

Post Legal Adoption Services

In the past the services available to adoptive families ended at the courthouse steps when the adoption of a child was legalized approximately six months after placement. With the adoption of children with special needs, it has been necessary to begin extensive services at the time a child joins a family and extend these services well beyond the time of legalization.

Consider the case of Jason, adopted a year ago when he was nine by Janice, a single nurse from Philadelphia.

> Jason came into foster care when he was two due to physical abuse, suspected sexual abuse and neglect. He was in six placements prior to his adoption and was traumatically separated from his two sisters and brother. By age nine he had developed very verbally aggressive behavior and was physically destructive to himself. He was failing in school and naturally had a very poor self image.
>
> For six months Janice visited him on weekends at the group home in Maryland where he resided before bringing him to live with her. She was fortunate to be working with an agency that has a full range of post adoption services. Janice and Jason immediately entered family counseling together, Jason receives individual therapy and an adoptive parent group was made available to them for support and fun.
>
> Jason is now earning badges in his Boy Scout troop, getting A's and B's in a regular class in school and his emotional problems are now considered mild.

In 1989, the Adoption Center of Delaware Valley found homes for 80 children. Janice and Jason were one of the fortunate families with whom we worked. We estimate that a full range of post adoption services were available in fewer than half of the placements.

Again, looking to the national need for these services, 58 proposals were received by the Department of Health and Human Services. In FY 1989 while the requests totaled $5.8 million, only $500,000 was available for post adoption services to the families who adopt challenging children such as Jason.

## Conclusion

I have addressed the need for minority placement and post adoption services based on past need. If we look to the future, we can see that the need is growing. The House Select Committee on Children, Youth and Families in it report "No Place to Call Home: Discarded Children in America" paints a bleak picture of more children being placed outside their homes, more children experiencing repeat placements, younger children entering out of home placement at an increasing ratio, minority children disproportionately represented in foster care and drug and alcohol abuse contributing substantially to increased out of home placements.

In Philadelphia alone, there was an 81% increase last year in the number of children under the age of one entering foster care. The primary cause was drug abuse by their parents.

We need a continuum of services to assist families to stay together. When that is not possible, we need the best adoption services available to find permanent homes for the children. Once placed the newly created family needs to be supported to cope with the challenges that children with special needs bring with them.

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STATEMENT SUBMITTED FOR THE RECORD

by

HOWARD J. SILVER, Ph.D.

EXECUTIVE DIRECTOR

CONSORTIUM OF SOCIAL SCIENCE ASSOCIATIONS
(COSSA)

ON THE

FY 1991 APPROPRIATION FOR THE

EDUCATIONAL RESEARCH AND STATISTICS PROGRAMS

INTERNATIONAL EDUCATION PROGRAMS

GRADUATE EDUCATION PROGRAMS

of the

U.S. DEPARTMENT OF EDUCATION

prepared for the

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,

EDUCATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

HONORABLE WILLIAM NATCHER, CHAIRMAN

APRIL 30, 1990

American Anthropological Association • American Economic Association • American Historical Association • American Political Science Association
American Psychological Association • American Sociological Association • American Statistical Association
Association of American Geographers • Association of American Law Schools • Linguistic Society of America

Mr. Chairman and Members of the Subcommittee:

I am Howard J. Silver, Executive Director of the Consortium of Social Science Associations (COSSA). COSSA represents 185,000 American scientists across the wide range of social and behavioral science disciplines. It serves as a bridge between the research community and the Washington community. A list of COSSA's Members, Affiliates, and Contributors is attached.

With regard to the FY 1991 budget for the Department of Education, COSSA strongly urges the Subcommittee to:

- Appropriate the full budget request of $174.7 million for educational research, statistics, and assessment programs in the Office of Educational Research and Improvement (OERI).
- Enhance funding to $55 million for the international studies and foreign language programs authorized by Title VI of the Higher Education Act. This includes an increase for the Fulbright-Hays exchange program.
- Increase funding for programs that support graduate student training, in particular the Javits Fellowship Program.

Education Research

In 1983 a national commission noted we were A Nation at Risk because of the mediocrity of America's education system. Last September, the nation's governors and President Bush met in Charlottesville, Virginia to devise national goals to overcome deficiencies in that system that continued through the 1980s. These goals reflect the need to bring the students of today, the nation's workforce of tomorrow, the knowledge and training to compete in a twenty-first century world. Implementing the programs to achieve these goals, and assessing and evaluating those programs will require improvement in the research capability and data collection activities of the Department of Education.

Within the past month the Chairman's home state of Kentucky has enacted school reform legislation that will transform the way schools do business in the bluegrass state. These reforms were instigated by court decisions based on research and data that demonstrated the unfairness and deleterious effects of unequal funding of school districts. The school based management, so central to the Kentucky plan, stems from research on effective schools carried out during the past few years. The Kentucky experiment will require assessment of student achievement and measurement of school district performance to achieve the successful implementation of the reforms. Support from the federal government should help Kentucky collect and disseminate this information.

The federal government must provide enhanced support for research, assessment, and statistics during the coming decade. Supporting these activities is an acknowledged federal responsibility, even by those who would limit the national government's role in other areas of education. In FY 1980 the funding for research and statistics at the Department of Education was almost $84 million, in FY 1989 it was $78.2 million. Last year the final appropriation for these activities reached $95.2 million, and COSSA appreciates the Subcommittee's support for this increase. This year the requested increase is to almost double that amount to $174 million. COSSA urges the Subcommittee to agree to that increase.

David T. Kearns, then Chief Executive Officer of Xerox Corporation, asserted in 1987:

> The one area in which Washington ought to excel -- and doesn't -- is research. You may not believe this, but education -- a $150 billion-a-year industry -- is supported by only $100 million of research by the federal government... At least three times that amount -- $300 million -- should be appropriated for research on school and classroom organization, learning theories and instructional techniques, and on emerging technologies.

We are still a long way from Kearns' request. The research budget in OERI increases to $61.3 million in the president's proposal for FY 1991. Most of these funds will support the national research and development centers. During 1990 eighteen new centers will be competed to join the existing eight centers. The increased research budget will also fund the regional educational laboratories. Funding for the Education Research Information Centers (ERIC) system which provides access to a computerized bibliographic retrieval network for the dissemination of education information will also be enhanced under the proposed budget.

The Field Initiated Studies program, where individual scientists propose topics for their research, continues to limp along at about $750,000 per year. The Conference Committee report to the reauthorization of the Higher Education Act in 1986 noted: "The Committee believes there is a growing need for independent research and through this new emphasis, it is hoped that important new avenues of inquiry and contributions to the field of educational research will be provided." The current competition has received approximately 250 applications, for perhaps 15 awards. The FY 1991 budget requests $1 million for the next competition. By appropriating the full amount for research and statistics, perhaps this program can increase its current dismal 5 percent success rate.

The nation continues to need knowledge about: new methods of teaching basic and useful skills to our young people; successful teaching and learning strategies to keep them from dropping out; examination of other nation's educational systems and the transfer of useful techniques; optimal methods of retraining our older citizens; and most important of all, making our children productive citizens of the twenty-first century. Research on education needs the Subcommittee's continued support.

## Education Statistics and Assessment

Although some progress has been made in recent years in funding for the National Center for Education Statistics much still needs to be done. Despite these recent increases, spending at NCES (including the National Assessment of Educational Progress (NAEP)) remains below what the federal government spends for the National Center for Health Statistics. And federal spending for education statistics is still about one-sixth what is spent for the collection, analysis, and dissemination of labor statistics.

The FY 1991 proposed budget includes a $19 million increase for the core data programs at NCES. This increase will permit the Center to continue the planned expansion of the Department's statistical activities. These include improvements to the collection of State fiscal data, collection of data on dropouts, and the development of standards.

Often longitudinal studies, which study the same subjects for a significant length of time, offer the best method of examining the long term impacts of certain educational activities. Often too, support for these efforts must be maintained for many years. The FY 1991 budget for NCES will provide funding to begin the new Postsecondary Longitudinal Study that will examine services and outcomes for college students. It will also allow for a new follow-up to the High School and Beyond cohort from 1972, a data base that continues to be an important source of numerous studies that have led to educational reforms. International comparisons are constantly in the news. The United States trails many other nations in indicators of educational attainment. NCES is participating in developing the International Assessment of Educational Progress for students aged 9 and 13 in 21 countries that will provide comparative measures of achievement in mathematics, science, and geography. To carry out all these significant programs COSSA urges the approval of the proposed significant increase for FY 1991 for NCES.

The National Assessment of Educational Progress is slated for an increase to $18.9 million. NAEP has been expanded to allow for state-by-state comparisons of student achievement. The NAEP governing board continues work on the development of reading objectives for the 1992 assessment. The recent results from NAEP tests suggest that the back-to-basics reform movement of the 1980s has achieved some success. Yet it is now time to move toward improving higher-order critical thinking skills that will be necessary for an educated person during the next century. Developing new measures of assessing those skills will require important research during the next few years. NAEP will have to cooperate with education researchers to determine testing items and other methods of assessing improved student competence in thinking and problem solving.

The four new initiatives proposed by OERI deserve the support of the Subcommittee. Enhanced leadership training for principals is a must, if the new school based management reforms are going to work. With dropout rates still too high, especially in the nation's central cities and disadvantaged neighborhoods, the nation needs increased efforts to learn how to encourage students to stay in school and graduate. Evaluating the reform efforts, like the one in Kentucky, is necessary to identify what works in improving educational performance. Following up the Charlottesville summit requires the ability to track progress toward achieving the enunciated goals. For example, there is very little current support for examinations of pre-school learning, a key to the goal of achieving school readiness.

International Education

Title VI of the Higher Education Act provides support for the operation of graduate and undergraduate language and area centers, the establishment of language resource centers, and the creation of intensive summer language institutes. It also supports fellowships for advanced graduate training in foreign language study. A new program supports International Business Education Centers.

COSSA is grateful for the significant increase in the Title VI appropriation in FY 1990. It is disappointed that the administration seeks only level funding in its proposed FY 1991 budget, although this is an improvement over the Reagan years when the administration attempted to eliminate the program altogether.

It is clear that with the internationalization of the economy, that foreign language and area study expertise is a requisite for effective interaction with other countries. As former Virginia Governor Gerald Baliles noted in the Introduction to the National Governors' Association report America in Transition: The International Frontier:

> How are we to sell our products in a global economy when we neglect to learn the language of the customer. How are we to open overseas markets when other cultures are only dimly understood? How are our firms to provide international leadership when our schools are producing insular students.

The continued economic presence of Japan, the 1992 arrival of an economically, and perhaps politically united, Europe, the opening up of markets in Eastern Europe and the Soviet Union, the emergence of East and South Asian countries such as South Korea, Taiwan, and Singapore as economic growth engines, make it imperative that our students and economic leaders of tomorrow understand other nation's economic, political and cultural systems. Enhanced opportunities also await those who can also speak the foreign language.

Global environmental change is a subject policy-makers confront today and into the future. We must consider the difficult questions of economic growth vs. environmental protection, that so often pit the industrialized world against the developing world. To do this successfully, the nation needs people who understand the political, economic, and social attitudes of foreign countries.

One key way to achieve understanding is through international exchanges, people-to-people diplomacy. Funding for the Fulbright-Hays portion of Title VI has remained stagnant throughout the 1980s. COSSA urges the Subcommittee to appropriate $55 million, the authorized level for the programs of Title VI, including an increase for the Fulbright-Hays exchange programs.

Graduate Education

The Department of Education has a key role to play in the support for training the next generation of college and university professors, as well as the post-graduate educated people of this country who will work for industry and government. The Congress has recognized this by creating important programs to support students who seek to enhance their education by pursuing graduate training and degrees.

These programs fall into three categories: those assisting science and engineering students (Graduate Assistance in Areas of National Need); those aiding mainly minority students (Patricia Harris Graduate Fellowships, Minority Participation in Graduate Education, and Legal Training for the Disadvantaged); and those supporting students in social sciences, the arts and humanities (Javits Fellowships, Patricia Harris Public Service Fellowships, and Law School Clinical Experience).

The Bush administration's proposed FY 1991 budget strategy supports significantly enhanced funding for the first category, slight increases for the second category, and a phase-down or elimination of the third category. COSSA is quite concerned with this strategy.

In particular, we vehemently oppose the proposed phase-down of the Javits Fellowship Program. The administration asks the Congress to provide only enough funds for continuation awards for the present class of Fellows. No funds are provided to start a new class; thus, in three years the program would no longer exist. A recent report authored by William Bowen, President of the Mellon Foundation and former president of Princeton, projects a shortage of faculty positions in the social sciences and humanities in the near future. Given these figures funding for the Javits Fellowships should be increased. COSSA urges the Subcommittee to reject the administration's short-sightedness and to appropriate $9.4 million for the Javits Program to help produce the future social science and humanities faculties at our universities.

We also ask for $3.3. million for the Patricia Harris Public Service Fellowships to help produce the public servants at all levels of government -- state, local and Federal -- who administer the programs and develop the new ideas, that make this a better country. The Law School Clinical Experience program has allowed the law schools of this country to provide their students opportunities to gain practical experience, often helping the disadvantaged, in the criminal justice system of this country. It deserves continued federal funding.

Although COSSA supports increases designed to help minority students go to graduate school, we believe the emphasis to recruit them into the natural and physical sciences, mathematics, and engineering (especially in the National Needs program) distorts the purposes of the programs. Although data clearly suggest the dearth of minorities receiving graduate degrees in the physical and natural sciences, this is also true in economics. Only 3.2 percent of employed economists are black, below the rate for mathematical scientists and computer specialists. The tendency to treat the social sciences as one discipline often ignores the differences among the many subjects that define these sciences.

In order to continue training our best and brightest students to take on the tasks of tomorrow, we must encourage those who seek postgraduate training. The Subcommittee should increase support for the programs of Title IX of the Higher Education Act and reject the Bush administration attempts to eliminate programs which provide support for those students who seek postgraduate training in the social sciences, humanities and the law.

Thank you for the opportunity to present our views.

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American Economic Association
American Historical Association
American Political Science Association
American Psychological Association
American Sociological Association
American Statistical Association
Association of American Geographers
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Society for Research in Child Development
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Speech Communication Association
The Institute for Management Sciences

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**National Recreation and Park Association**

STATEMENT OF THE

NATIONAL RECREATION AND PARK ASSOCIATION

BEFORE THE

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ON

SPECIAL RECREATION PROJECT GRANTS

SECTION 316, REHABILITATION ACT OF 1973

APRIL 30, 1990

*WESTERN SERVICE CENTER* • 3500 Ridge Road • P.O. Box 6900 • Colorado Springs, Colorado 80934 • (303) 632-7031

Mr. Chairman and members of the Subcommittee, the National Recreation and Park Association and the National Therapeutic Recreation Society, a professional branch within the NRPA, appreciate the opportunity to submit written testimony regarding its views on appropriations for Special Recreational Programs authorized under Section 316 of the Rehabilitation Act of 1973. We urge you to support the continuation of funds for projects which initiate recreation services for persons with disabilities.

NRPA is a national non-profit organization engaged in a wide range of reserach, education, policy and program initiatives involving parks and recreation. The Association has a membership of over 20,000 individuals, organizations and agencies performing an array of civic, professional and technical functions to meet diverse recreation needs. The National Therapeutic Recreation Society includes those professionals with a particular interest and expertise in the provision of recreation for special populations, using recreation as an essential part of the rehabilitation process.

We recommend a fiscal 1991 appropriation of $2.894 which has been previously authorized in Section 316 of the Rehabilitation Act. This request reflects an emphasis on enhanced community integration, an expanded scope of service delivery and grant length of three years. This recommendation is endorsed by the Consortium for Citizens with Disabilities, a coalition of over 60 national consumer, professional and provider organizations concerned with those in society most in need of our support.

Over the past three-year funding cycle, program priority has been given to supporting services in the least restrictive environment that enable increased independence and integration in the community. The success of special recreation projects has shown that federal grant support can and does improve the rehabilitation and independence of persons with disabilities. In addition, special recreation project funding has increased cooperative efforts among therapeutic recreation specialists in clinical and community settings, thereby assisting persons with disabilities in transitional adjustments to work and community living. Projects provide a broad range of activities as well as leisure education and skill acquisition.

Despite evidence of progress, the need for recreational programs as a key part of community integration and independence of persons with disabilities continues to exist. A 1986 nationwide survey of 1,000 persons with disabilities by Louis Harris and Associates revealed that, depending on the severity of disability, fifty to eighty percent of these individuals are prevented from socializing with friends and family and are less involved in community activities. Accordingly, the National Council on the Handicapped said in its January 1988 report to the President and the Congress, that, due to the isolation and non-participatory status of persons with disabiities in leisure activities, this area "merits further investigation and policy development in this area."

Continued need is also evident in the more that 260 proposals that are submitted to the Rehabilitation Services Administration during each three year funding cycle to fund special recreation projects. Only 30 proposals can ultimately be funded. The more than 175 projects that have been funded since 1980 have resulted in an expansion of recreational opportunities directly impacting over 150,000 persons with disabilities.

Despite program effectiveness, the Administration proposes no funding for fiscal 1991. Our recommendation comes at a time when the program reaches approximately 17,000 individuals yearly and is growing in popularity among recreation participants and providers alike. Applications for grants in fiscal 1987, the beginning of the last funding cycle, rose seven percent from the prior year. RSA also reports that in fiscal 1987, it had received the greatest level of interest yet shown the program, and that it currently receives numerous inquiries weekly.

Now structured in three-year lengths, program grants hold new promise to increase the effectiveness of recreation projects as information is gathered on the characteristics of the most successful programs. Unfortunately, programs enrolled in three-year grants are in jeopardy of ending prematurely if acceptable appropriations levels are not maintained. Further, limiting appropriations for special recreational projects would tend to diminish or eliminate potential new programs and negatively impact_the number of persons served.

For fiscal 1990, 31 programs have been selected. Innovation, effectiveness and ease of replication were important selection criteria. Besides these attributes, they differ greatly. Some programs provide true wilderness experiences to persons with disabilities ranging from cerebral palsy to blindness. Others provide opportunities to participate in sports and recreational activities such as softball, skiing and swimming.

"Toward Independence," the 1986 report of the National Council on the Handicapped concluded that "more emphasis should be given to Federal programs encouraging and assisting private sector efforts to promote opportunities and independence for individuals with disabilities." Funding special recreation programs is a cost-efficient and demonstrated effective way to do just that. Moreover, assistance given often results in continued private funding for programs -- which can then be replicated in other communities.

We believe that continued assistance for Special Recreational Programs is critical if more people with disabilities are to enter the mainstream of society. Recreation aids the social, emotional, and physical well-being of all people. For persons with disabilities, it is crucial to their becoming a functioning, integral part of society. Without special programming, it is far less probable that persons with disabilities will be able to engage in quality recreational pursuits.

# A STATEMENT
# OF THE
# HEALTH INSURANCE ASSOCIATION OF AMERICA
# ON
# THE FISCAL YEAR 1991
# MEDICARE CONTRACTORS BUDGET

submitted to the

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION AND RELATED AGENCIES
of the
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
by

ARTHUR LIFSON
VICE PRESIDENT
EQUICOR, INC.

April 25, 1990

Mr. Chairman, members of the Committee, I am Arthur Lifson, Vice President of EQUICOR, Inc. We are the fifth largest group health insurance company in the United States, and specialize in managed health care. I also serve as Chairman of the Medicare Administration Committee of the Health Insurance Association of America, the principal trade association of the commercial health insurance industry. In addition to EQUICOR, seven other HIAA member companies help administer Medicare as Part A intermediaries and Part B carriers and have done so since 1966, when Medicare began.*

As intermediaries and carriers our contractor companies discharge the government's responsibility for paying Medicare beneficiaries and providers of service in a timely, accurate and fiscally responsible manner. In recent years, we have worked closely with the Health Care Financing Administration to implement many new payment policies designed to control costs through changes in payment methodology and the detection of fraud and abuse.

We take pride in our long record of professional and efficient performance of these critical program tasks, and in the fact that HCFA and its contractors have one of the lowest overhead costs of any federal government program.

## The FY 1991 President's Budget

The cost to the government of its Medicare contractors operations is largely a function of the number of claims they must process each year.

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*Aetna Life & Casualty, EQUICOR, General American Life Insurance Company, Mutual of Omaha Insurance Company, Nationwide Mutual Insurance Company, TransAmerica Occidental Life Insurance Company, Cooperativa de Seguros de Vida de Puerto Rico, and The Travelers Insurance Company.

While the average administrative cost per claim processed has been lowered nearly every year - and that record of improvement will continue in the future - it is the overall number of claims processed that largely determines the cost of contractor operations in any fiscal year. Likewise, it is the Administration's mistaken assumptions concerning the number of claims to be processed in FY 1991 that will precipitate a crisis in contractor operations, due to insufficient funding, in the last quarter of the year.

The overall funding requested for contractor operations is only 4 percent above the Administration's estimate of costs for the current fiscal year - and that includes 3.3 percent for inflation. The justification offered for such a small increase is that the number of Medicare claims received in FY 1991 is going to be only 0.2 percent higher than the number estimated for this year, and the cost of processing this slight increase in workload will be more than offset by improvements in contractor efficiency.

The Administration is correct in assuming that contractor efficiency will increase - provided there is sufficient funding of the necessary systems improvements and other changes - but its prediction that the increase in claims load will be only 0.2 percent can only be described as unrealistic and unsupported by credible evidence. During the past decade, the annual growth in numbers of claims has averaged 10 percent.

There is nothing in current claims trends to indicate that the claims load will plummet next year. Quite to the contrary, we have every reason to believe that in FY 1991 contractors will receive very close to 600 million claims.

The funding of claims processing and related activities at the level requested by the Administration - despite improvements in contractor efficiency - will result in a backlog of between 45 and 52 million unprocessed claims by year-end. This will be an administrative disaster for contractors and will place them in violation of Medicare's legislated claims payment deadlines. It will generate higher costs in the contractors' beneficiary communications and provider relations work as they struggle under a wave of complaints from beneficiaries, doctors and hospitals. Finally, it will cost Medicare millions of dollars in interest penalties imposed on late claim payments.

The accurate and timely processing of claims is the contractor's most essential task, the performance of which is central to the credibility of the entire program. In past years, the Administration and Congress have cooperated to provide sufficient funds for the necessary work. However, if the the contractors' budget proposed for FY 1991 is enacted, it will result in a breakdown in basic claims processing which may place the stability of the entire program in peril.

Payment Safeguards

In addition to underfunding claims processing, the budget also falls far short in the area of payment safeguards. These medical review, utilization review, audit and Medicare as secondary payer activities will save the program $3.75 billion dollars this year - a return of more than 10 dollars for every dollar expended on them. But much more can be saved. The barely adequate level of funding proposed for safeguard activities next year and will result in the needless waste of hundreds of millions of trust fund dollars in payment of inappropriate or fraudulent claims that would be detected or prevented by a better funded, more vigorous effort. We have not come close to reaching the point of diminishing returns for contractor operations dollars invested in payment safeguards. Appropriate funding could increase trust fund savings to 6 or 7 billion dollars each fiscal year.

## Other Critical Tasks Underfunded

The proposed budget would underfund other critical contractor tasks too numerous to mention in this brief statement. For example, in FY 1991, Part B carriers are to implement several initiatives that will make the electronic submission of claims simpler and more attractive for physicians and medical suppliers. These initiatives promise major reductions in claims processing costs, but the effort will produce modest results, at best, at the level of funding the Administration's budget would provide.

## Contingency Funding

Contingency funds are usually meant to cover circumstances and costs that cannot reasonably be foreseen at the time a budget is approved. Yet, the Administration has placed in that category the funds necessary to implement the sweeping physician payment reforms and other program changes prescribed by OBRA '89, as well as the funds that will certainly be required to process the predictable FY 1991 claims load. Placing these needed amounts in the contingency category helps satisfy the imperatives of the Congressional budget process, but it also means they cannot be utilized by the Medicare program unless released by the Office of

Management and Budget. Based upon OMB's behavior in past years, this will virtually assure that funds are made available so stingily and so late in the year that severe disruptions in contractor operations result.

Medicare law requires the prompt payment of claims. It also requires the implementation of physician payment reforms as scheduled by Congress. The meeting of these mandates is not an uncertainty for which funds should be held in reserve. It is mandated activity with a readily predictable required level of effort. Clearly, the adequate funding of these activities belongs in the contractors operating budget, not in a contingency fund.

Recommendations:

The budget for Medicare contractor operations proposed by the Administration will severely underfund claims processing, payment safeguards, physician payment reform, and provider and beneficiary education activities. To assure timely processing of the nearly 600 million claims expected in FY 1991, the implementation of the OBRA '89 changes as scheduled by Congress, and a level of payment safeguards commensurate with the need to conserve Medicare trust funds, we recommend that the contractors operating budget be increased, at a minimum, by $190 million. We would be pleased to furnish the Committee with details of where those funds are most needed. Most of the necessary funding can be achieved by appropriating for contractor operations the $173 million proposed by the Administration as a contingency fund.

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# STATEMENT
# REGARDING
# FY 1991 FUNDING FOR THE
# NATIONAL INSTITUTES OF HEALTH

Submitted to the
Subcommittee on Labor/HHS/Education
Committee on Appropriations
United States House of Representatives

May 1, 1990

The American Geriatrics Society (AGS), is pleased to have the opportunity to express our organization's views regarding FY 1991 funding for the National Institutes of Health (NIH), particularly the National Institute on Aging (NIA).

The American Geriatrics Society (AGS) is an organization of almost 6,000 physicians, nurses, and other allied professionals dedicated to the advancement of research, education, and clinical practice related to the medical care of older persons. The programs of the National Institutes of Health, and particularly the National Institute on Aging, are extremely important to AGS members, many of whom receive NIH support for their research.

Opportunities in biomedical research have far out-paced funding growth, and many high-quality proposals have gone without support. With regard to NIA, this situation is compounded by the fact that budget increases provided in recent years have been targeted predominantly to studies of Alzheimer's disease, which is a major research focus for many of our Society's members. However, we believe that funds should be added to the NIA budget to support Alzheimer's research rather than simply diverted from other important NIA efforts. A report recently issued by the Pepper Commission recommended a $1 billion Federal spending goal for research to curtail long term care needs. Alzheimer's disease was cited as one of a number of diseases that should be supported with these funds. The Commission also noted the need for research funding increases for studies of osteoporosis, breast cancer, and urinary incontinence.

The Subcommittee has expressed concern about the targeting of overall NIH support to AIDS outside the peer review process. We suggest that this same principle should apply to the NIA and its efforts. The Congress is correct in identifying AIDS and Alzheimer's disease as major health threats. However, increased research activity in these areas must be in addition to, not at the expense of, research focused on other diseases that produce severe disability.

For FY 1991, the AGS supports the proposal of the Ad Hoc Group for Medical Research Funding, which recommends an overall NIH budget of $9.237 billion. Specifically for NIA, we recommend an FY 1991 budget of $313.6 million, which is a 26% increase above the President's request. This amount would fund a total of 698 grants, 92 above the President's request (30% of approved proposals); 245 competing grants, 92 more than the President's request; 473 trainees, an increase of 85 over the President's request; 29 centers, 5 more than the President's request; and 104 career awards, 13 over the President's request.

In particular, the AGS believes the following areas merit special attention:

- Frailty Clinical Trials: The NIA has planned clinical trials of interventions designed to reduce long term care needs and injuries associated with physical frailty. Such interventions include exercises, rehabilitation strategies, nutritional interventions, fall and hip fracture prevention programs, and environmental/behavioral factors. These trials are crucial if we are to improve the independence, quality of life, and health of the frail elderly. For FY 1991, we recommend $5.5 million for frailty clinical trials, which is a $2.6 million increase over the President's request. This level of support will fully fund a total of twelve projects, compared to the eight that received only partial funding in the current year.

- Geriatric Assessment: A recent NIH Consensus Conference panel noted the value of geriatric assessment in improving health outcomes and reducing health costs, and recommended research to further improve assessment strategies. Research on geriatric assessment will refine this strategy for identifying persons with treatable and preventable disabilities and assuring proper treatments and services which may reduce long term care needs. We recommend $3 million, $2.5 million over the President's request, to enable NIA to fund several planned projects on geriatric assessment.
- Frailty in Minorities: Genetic and environmental factors can increase risks for disabling disease and the inability to cope with frailty and its consequences. Studies must address these factors in different groups if we are to develop effective strategies to reduce frailty and disability among minorities. For FY 1991, the Society recommends $2 million, $1.7 million over the President's request, for such studies.
- Claude Pepper Geriatric Research and Training Centers: These "centers of excellence in geriatric medicine" address the shortages of faculty members and other health care professionals with adequate preparation in geriatrics. The centers provide training, basic and clinical research

opportunities, and a varied patient care experience. As several medical fields establish subdisciplines in geriatrics, and as nearly every U.S. medical school re-examines its curriculum in geriatrics, there is a pressing need for these centers so that we can guarantee an adequate supply of high quality geriatricians. For FY 1991, we recommend funding five Claude Pepper Centers, which, at $1.2 million each, would require a total budget of $6 million, none of which was included in the President's request.

Medical science has enabled us to extend the average life expectancy well into the eighties. We must now focus on making these additional years healthy so that older people are able to remain productive and independent. The majority of the nation's taxpayers believe research to improve health care for the elderly should be a national priority. In a nationwide survey conducted last year for the Alliance for Aging Research, three out of four Americans questioned (76%) said the Federal government should consider a commitment similar to our effort to put a man on the moon for a program of research to insure the health and independence of older Americans.

President Bush has stated that "we should try to reduce the need for care by devoting significant research attention to the prevention and cure of debilitating illnesses...that can keep us from caring for ourselves." The American Geriatrics Society believes that the President should have requested NIH funding increases to support this pledge. The opportunities that exist in

American Federation for Clinical Research

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# STATEMENT

# REGARDING FY 1991 FUNDING FOR
# THE NATIONAL INSTITUTES OF HEALTH

Presented for the Record of the

SUBCOMMITTEE ON LABOR/HEALTH AND HUMAN SERVICES/EDUCATION
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

May 1, 1990

Director for Public Policy • Lynn Morrison • 50 F Street, NW • Suite 1040 • Washington, DC 20001 • 202-628-3954
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The American Federation for Clinical Research (AFCR) is pleased to have this opportunity to express its views regarding FY 1991 funding for the National Institutes of Health (NIH). The AFCR, the nation's largest organization of medical investigators, is comprised of approximately 13,000 physician and non-physician scientists who are engaged in virtually every area of medical research. It's membership includes many distinguished medical scientists -- among them, winners of the Nobel Prize in Medicine. The programs of the NIH are of special importance to the AFCR, as most of our members are based in universities and receive funding for their research from the NIH extramural program.

The AFCR would like to address an issue of special importance to its members: the declining number of physicians pursuing careers in research. It is sad and frustrating to see talented physicians who might have made outstanding contributions to biomedical research diverted because the risks and insecurities of a career in science outweigh the benefits. The physician-scientist is a key player in the biomedical research enterprise. He/she alone has the perspective and expertise to bring clinical insights to basic research and, conversely, to practically apply the results of scientific knowledge to the care of patients.

As Attachment 1 shows, almost 100% of the dramatic growth in the application rate for NIH research project grants in the past ten years has been among non-physician scientists. Overall, the proportion of physicians primarily engaged in research has fallen sharply in the past twenty years, and this trend is expected to continue. There are many reasons for this decline, but several are particularly noteworthy:

- It is increasingly difficult for physicians to obtain research support. Because the NIH award rate has fallen and the number of physicians applying has not increased, physicians as a group stand increasingly poor chances of obtaining NIH funding. Even those who succeed in obtaining an NIH grant are forced to cut corners as a result of cuts, euphemistically known as "downward negotiations."
- Basic biomedical research has changed. Prior to the 1970's, medical research was primarily the responsibility of physicians, even those with little formal science training. Today, only Ph.D.s or M.D.s with extensive basic science training and experience can compete successfully for NIH R01 grants. Physicians must spend additional time beyond their medical training years to master the complexities of modern biomedical research.
- Those physicians interested in pursuing patient-oriented research have recently been confronted with a new challenge: the growing unwillingness of third-party insurers to cover the costs of care for patients involved in research protocols. Medicare policy already precludes payment for investigational therapies even if they are the best available treatment.

- Often, the pressures of high medical school debts lead physicians who might otherwise consider research into other career paths. Physicians completing their specialty training are not anxious to pursue a research fellowship that will provide them a smaller stipend than they received as residents.

To address these problems, the AFCR encourages the Subcommittee to provide sufficient funds for:

- an increase in the percentage of meritorious research projects funded at full study section-section-recommended levels;
- an increase in training support to allow NIH to offer reasonable post-doctoral trainee stipends (i.e., at least commensurate with hospital resident salaries) for approximately 12,020 trainees;
- an additional 250 career development awards for physician scientists at a minimum salary level of $50,000;

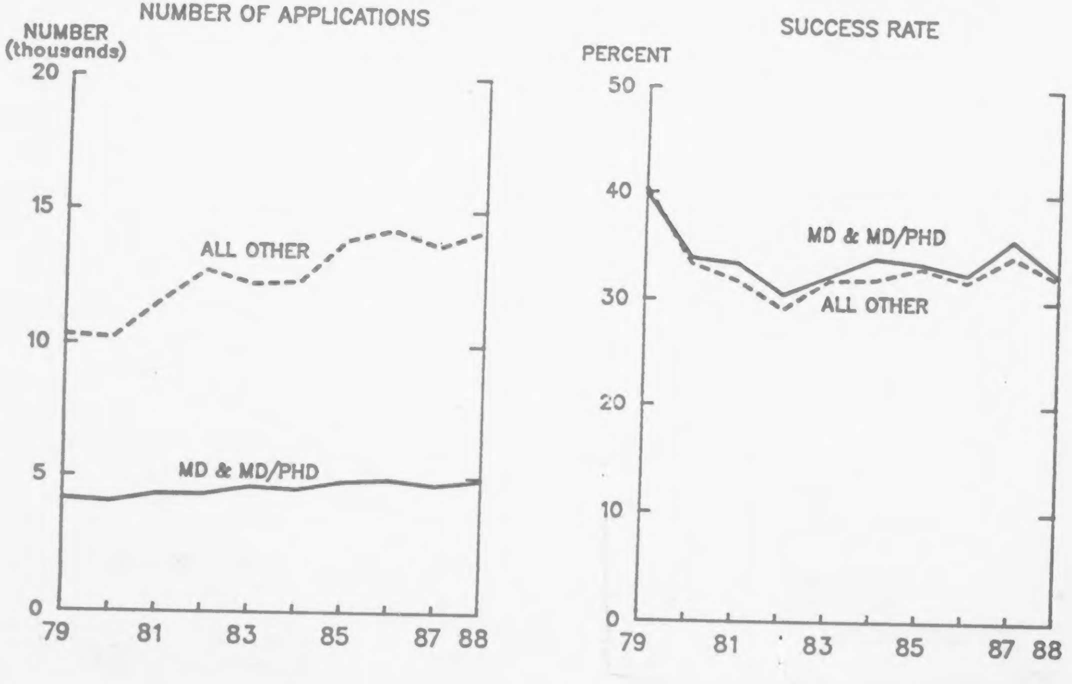
Clearly, these solutions cost money. The AFCR believes that the NIH budget requires and merits steady budget increases of 20-25% annually over the next several years. Specifically for FY 1991, the AFCR endorses the recommendation of the Ad Hoc Group for Medical Research for an NIH budget of $9.237 billion. This amount may seem large until one realizes that the military research program receives almost $40 billion per year, over four times the Ad Hoc Group's request for NIH. The 22% increase may seem fiscally impossible until one considers the 32% increase for NASA research efforts and the 26% growth in transportation R&D proposed by

President Bush. If our government can afford to strengthen these programs, it can certainly afford a $9 billion NIH budget.

The demand for such an increase is further amplified by the overwhelming public support for biomedical research. A national survey conducted independently at the AFCR's request last February (see Attachment 2) found that when asked to state their number-one research objective among five specified goals for science, almost two-thirds (59%) said improving health was their top priority. Furthermore, less than one in twenty (4%) viewed space exploration as number-one and one in fifty (2%) cited improving weapons as their top priority. The AFCR hopes that the Congress will recognize the need -- both in terms of scientific merit and taxpayer sentiment -- to make biomedical research a national priority. The AFCR appreciates this opportunity to express its views.

Attachment 1

## NUMBER OF APPLICATIONS AND SUCCESS RATES FOR NIH COMPETING RESEARCH PROJECT GRANT APPLICATIONS MD AND MD/PHD DEGREES COMPARED TO ALL OTHERS, FISCAL YEARS 1979–1988



SOURCE: NIH, DRG, INFORMATION SYSTEMS BRANCH

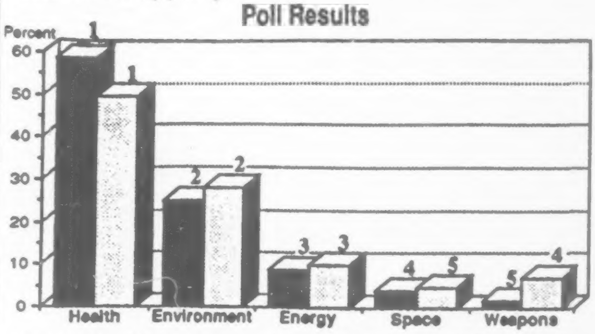
8901-E45

Attachment 2

## Public and Congressional Support for Medical Research

When allocating federal funds, the public and members of Congress overwhelmingly support medical research as a "top priority."

### Poll Results



The nationwide public opinion poll of 1,000 adults was conducted February 24-28, 1990 by MarketFacts, Inc., and has a margin of error of plus or minus three percent. The Congressional poll surveyed House and Senate staffs, and was conducted March 6-23, 1990 by the Madison Public Affairs Group. More than 200 Congressional offices responded to the survey.

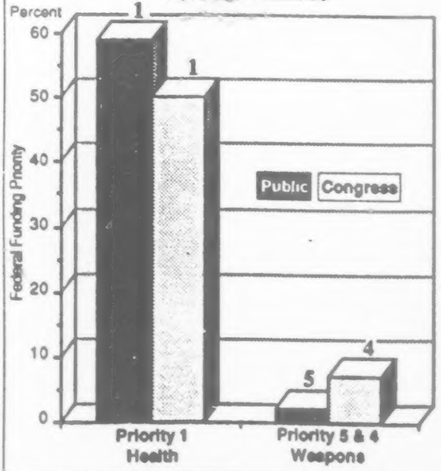
Asked which of five research programs is their "top priority" when allocating federal funding, those surveyed responded as follows:

| | Public | Congress |
|---|---|---|
| 1. Research to improve health care/find cures | 59% | 50% |
| 2. Environmental research to reduce pollution | 25% | 28% |
| 3. Research ways to use energy more efficiently | 9% | 10% |
| 4. Research to advance our space exploration program | 4% | 5% |
| 5. Research to improve weapons | 2% | 7% |

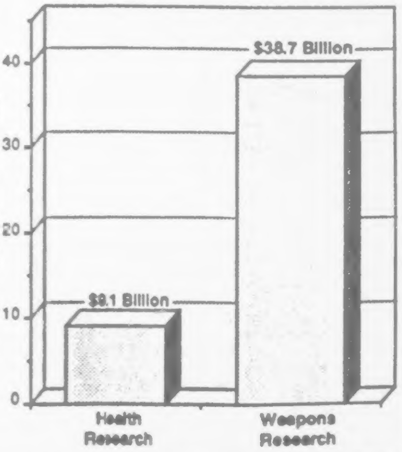
## Bush R&D Budget Priorities Out of Step with Public and Congressional Opinion

Recent polls show that, of five research programs, both the public and members of Congress rank health research as the number one priority in allocating federal funding. Research to improve weapons is a distant fifth priority for the public and a distant fourth priority for Congress. By contrast, the Bush Administration gives top priority to research to improve weapons, based on its proposed FY91 R&D budget allocations for the same five programs.

### Poll Results — Health and Weapons Research Priorities



### Bush Administration — Health and Weapons Research Budget Allocations



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# TESTIMONY

of

DR. KEITH BAKER
DIRECTOR OF RESEARCH

RESEARCH IN ENGLISH ACQUISITION AND DEVELOPMENT, INC.
(READ)

PRESENTED TO

THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

ON BILINGUAL EDUCATION APPROPRIATIONS FOR FY'91

APRIL 30, 1990

Mr. Chairman and distinguished members of the committee, my name is Keith Baker, and I am the Director of Research for READ, Research in English Acquisition and Development, an important, non-profit research organization dedicated to an examination of effective methods of teaching English. Through our work, READ strives to develop and improve methods of teaching English to both adults and children, by researching and disseminating scholarly articles on English language acquisition.

Our work enables researchers and educators to conduct open and free inquiry into the full range of teaching methods which schools and teachers may use to promote English language literacy. READ's research is conducted without preconceptions, without favor, and without politically predetermined conclusions. READ is supported by contributions from foundations, corporations, and individuals who wish to improve American education and to develop a more literate citizenry.

As a social science analyst, I have served in various research capacities with the federal government since 1971. In 1980, I joined the Department of Education where I directed program evaluations and policy analysis studies. During this time, I directed over 7 million dollars of research on bilingual education. I have authored numerous articles on education and in 1983, co-authored with Adriana de Kanter, Bilingual Education: A Reappraisal of Federal Policy (Lexington, Massachusetts, Lexington books, 1983). This book is based on a policy review of the U.S. Department of Education's programs for the education of language minority students carried out by the Office of Technical and Analytical Services, Office of Planning, Budget, and Evaluation, in the U.S. Department of Education. Although this book reflects the views of Adriana de Kanter and myself, and not the Department of Education, the review was instrumental in shaping government policy leading to a greater acceptance of English-based programs for teaching non-English speaking children.

The Baker and de Kanter study is regarded as one of the most comprehensive evaluations of existing literature on transitional bilingual education. Our investigation grew out of a request from the White House Regulatory Analysis and Review Group for an assessment of the effectiveness of Transitional Bilingual Education (TBE). TBE is distinguished from English-based methods of instructing non-English speakers by the use of a student's home language for non-language subject areas. Although the focus of our study was an assessment of TBE, we also covered the major studies addressing the effectiveness of English as A Second Language, Structured Immersion, and Submersion (also understood as "doing nothing"). The questions which we addressed: "Does TBE lead to better performance in English?" and "Does TBE lead to better performance in non-language subject areas?" Of the several hundred studies covered by our review, 39 were found to apply to our concerns.

In short, our conclusion was that the literature makes a compelling case that special programs in schools can improve the achievement of language minority children. **However, there is no evidence that any specific program should be either legislated or preferred by the federal government. No consistent evidence**

**supports the effectiveness of TBE.** The only American studies designed to be nationally-representative found negative effects for TBE in English and no effects for math (Danoff et al. 1978). Several studies show either ESL or immersion to be superior to TBE.

Since our review in 1983, a number of other researchers have supported our findings. In 1989, Christine Rossell compared two programs, a bilingual education program and an ESL program, operating within the same school district and found superior results for the ESL program. Rossell found ESL students had higher scores in reading, language and math, in some grades, while students in bilingual education never scored significantly higher than the ESL students. In one of the most recent books on bilingual education, Forked Tongue: The Politics of Bilingual Education, (1990) Basic Books, Dr. Rosalie Porter describes her fifteen years as a bilingual education teacher and director and how she came to the conclusion that bilingual education did not meet the needs of limited English proficient children. In her review, Porter discusses three ESL programs she found superior to TBE. In essence, few empirically-sound studies have found the contrary.

Mr. Chairman, in 1974 the Supreme Court ruled in its watershed class-action case Lau v. Nichols, that submersion programs were impermissible. However, the court declined to prescribe a specific program that would provide equal educational benefits, stating, "[T]eaching English to the students of Chinese ancestory is one choice. Giving instruction to this group in

Chinese is another. There may be others." Flowing from that decision, the Office of Civil Rights proprosed regulations and negotiated numerous voluntary compliance plans. After a legal challenge and an extended period of public comment on the proposed regulations, they were formally withdrawn in 1981. However, the mandate for TBE -- be it formal or informal -- was cast in stone.

In addition to mandating TBE through its civil rights policy, the Education Department has directly funded the development of bilingual education programs. The Bilingual Education Act, passed in 1968 as Title VII of the Elementary and Secondary Education Act, is designed to "build the capacity" of local grantees to maintain programs of bilingual education when federal funding is reduced or no longer available. The act also provides funds for teacher training, development and dissemination of bilingual instructional materials.

Unfortunately, after more than a decade, federal policy has emphasized TBE to the virtual exclusion of alternative methods. Although the 1988 reauthorization of the Bilingual Education Act did raise the cap on monies for alternative methods from 4 percent to 25 percent, there remains no empirical evidence to support the continued disproportionate funding of TBE programs.

The most important aspect of this education legislation and the Supreme Court decision is the protection of the civil rights of langauge minority students. And as to that we must ask ourselves, have we succeeded?

READ contends that in order to carry out the legal mandate to guarantee the civil rights of children who are so dependent on a language other than English that they cannot successfully learn in a typical all-English classroom, the schools must do three things:

(1) Determine which children need a special language program;

(2) Determine when those same children no longer need the special program;

(3) Determine the program's effectiveness in **raising the student's level of achievement**, that is students in the special language program must make more progess in learning English and other subjects than they would have made in the regular English classroom.

The schools must successfully accomplish *all* three tasks, but we have seen that after 20 years of effort, sometimes heroic, sometimes pathetic, we have not succeeded in any of them. By these standards, which appear to underlie the *Lau* decision, we must conclude that bilingual education has failed to provide the basic civil rights protections called for by *Lau*.

Moreover, there are other ways in which bilingual education has produced civil rights failures. As the report of the civil rights division of the State of Massachusetts (1985) points out in reviewing Boston's schools, keeping LEP students in a bilingual program too long and/or failing to teach them English produces a segregated school. Hispanic students who are grouped together in bilingual Spanish classrooms are denied interaction with majority students. Furthermore, some bilingual classrooms for students from European language backgrounds were found by th civil rights division to be a means by which white students were circumventing desegregation with black students in the school.

Bilingual education programs must also be fast so as to minimize the segregation of the LEP students from the majority school program. Many bilingual advocates are that bilingual programs should last for 5-7 years (Troike, 1983). From a civil rights perspective, the most serious reservations must be raised about such ideas if they lead to segregating LEP students from majority students for what amounts to the entirety of the student's elementary school career.

Mr. Chairman, recognizing this committee's concern to find the most effective form of education for the taxpayer's dollar, READ respectfully recommends that the following questions be directed in special congressional oversight:

-- Who is benefiting from federal Bilingual Education programs?

-- Why is 75 percent of the money appropriated under Part A of the Bilingual Education Act guaranteed to go to only TBE, when research shows other programs to be equally or more effective?

-- Why out of the 158 million dollars appropriated for education of limited English proficient children in 1990 did such a large proportion -- over 27 percent -- never reach the schools, but rather go to training and developing bilingual education teachers and materials, when studies show students derive no particular benefit from either of these activities? Indeed, studies show that certified bilingual education teachers can actually harm a student's development in English.

I have raised just a few of the many problems which are preventing the federal government from effectively educating our non-English speaking students.

The answers to these questions may suggest that the present rigid educational bureaucracy is long on habit, but short on its ability to adopt new strategies to reflect the best current knowledge on the subject. New flexibility will only come through diligent and purposeful congressional oversight.

Oversight must also come from the general public. Recently, we observed that the Department is subject to comparatively few requests for information under the Freedom of Information Act (FOIA), and rarely, if ever, involved in the release of particular reports or information. This may not be because there isn't information that should be shared with the general public, but may emanate from a bureaucratic desire to control public debate.

An example: Several months ago, READ contacted the appropriate branch of the Department requesting copies of two contractor reports. Both studies addressed educational programs for Limited English Proficient language minority children. In response to our requests for these documents, we received contradictory responses:

> An executive summary of the report will be available free of charge in early February. . . . The reports will also be available from the national technical information service shortly.
>
> \- Letter from John Politte, Contracting Office, 1/4/90.

> The deliverables for contracts T2-88-016-001 and 300-87-0156 are in draft form and are not yet ready for release to the public.
> - Letter from Alexia Roberts, FOIA Officer, 2/15/90.

READ appealed the FOIA denial to the UnderSecretary, and after legal and congressional assistance, and the inquiries of well-known investigative journalists, succeeded in obtaining a copy of one of the reports last week. I'd like to note that this report was dated December 13, 1989.

But this raises broader questions. Why is the Department of Education allowed to violate the law by withholding critical outcomes data which by right are public information available under FOIA; especially data which would be extremely valuable to independent researchers and education experts? READ found that the Department's reluctance to release outcomes data is more closely a product of a desire to avoid disclosing important, objective information than any internal confusion about the status of the report. It is an institutional desire "not to know."

To elaborate: although READ has only had the data for a week, an interesting point can be made.

The data shows a negative correlation between childrens' learning progress and being taught by a certified bilingual teacher. In other words, bilingual education instructors do not improve the achievement of langauge minority children but perhaps may even harm progress. As I've already pointed out previously, funding for bilingual teacher certification and training is a substantial part of the money appropriated.

If the government's own studies -- as well as those of independent researchers -- demonstrate that bilingual education is not enhancing the educational progress of LEP children, and if the program is failing in its civil rights mandate, why does it continue to receive funds as a favored-status program?

At a time when Americans are concerned with reducing the deficit, it is more important than ever that we spend our limited money in the way which yields the maximum return on our investment. We have no choice but to invest wisely in the education of our children.

Thank you for the opportunity to present for the committee the views of Research in English Acquisition and Development.

**National Head Injury Foundation, Inc.**

Charles W. Haynes, *Chairman of the Board*
Marilyn Price Spivack, *President, CEO*
Beth O'Brien, *Vice President, State Association Affairs*
James Mikula, Ph.D., *Vice President, Professional Council*
Andrea Bogdan, *Vice President, Survivors Council*
Elizabeth Forro, *Vice President, Provider Council*
Daneese Malkmus, MA, CCC, *Clerk*
David Viano, Ph.D., *Treasurer*
Martin L. Spivack, M.D., *Past President*
Gerald W. Bush, Ph.D., *Past Chairman of the Board*
James and Sarah Brady, *National Honorary Chairpersons*

# Statement of the
# NATIONAL HEAD INJURY FOUNDATION
# to the
# HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION
# regarding
# FY 1991 APPROPRIATIONS

May 1, 1990

333 Turnpike Road • Southborough, MA 01772 • (508) 485-9950
Family Help Line • 1-800-444-NHIF

Mr. Chairman and members of the Subcommittee, the National Head Injury Foundation (NHIF) is pleased to be able to present a statement which is directed toward improving the future well-being and quality of life of individuals who are traumatically head injured, and those who will sustain head injuries today and in the future.

We want to take to thank you, Congressmen Natcher and Conte and the members of this Subcommittee for your leadership in the disability movement, which enhances the quality of life and opens doors for all people with disabilities. The 1990's promises more than hope for persons with disabilities with such legislation as the proposed Americans with Disabilities Act (ADA), the enactment of the "Decade of the Brain", which Congressman Conte for so long fought for, and new legislation that promotes prevention of disability, community support systems and national health insurance.

In April, the NHIF began its second decade and this hearing marks the seventh year in which we have brought the national epidemic of traumatic brain injury (TBI) to your attention.

There is no question that the Senate and House Appropriations Subcommittees have created a TBI agenda through language and recent appropriations that has just begun to have an impact on this still vastly underserved and unserved population. You responded in 1987 to our request in 1986 and 1987 to create a task force on head injury. Their work was completed in 1988. Now we ask you to examine the 1988 Report of the Federal Interagency Head Injury Task

Force and request an action plan from the Department of Health and Human Services (HHS) which will move the six (6) recommendations forward by stages and tasks. We want to commend Dr. Murray Goldstein, Director of the National Institute of Neurological Disorders and Stroke (NINDS), and the sixteen (16) members of the Interagency Task Force for their commitment to this project and for the product they presented to the Secretary of Health and Human Services, then Dr. Otis Bowen, during December, 1988. This Report is now waiting action by the Health and Human Services Secretary, Dr. Louis Sullivan.

As of this date, there has not been any action regarding any of the six (6) major recommendations. We imagine that there will be no action unless both this Subcommittee and the Senate Subcommittee demands it. Two of the priority recommendations that both the House and Senate Subcommittees requested were the establishment of TBI as a diagnostic category in all agencies and the designation of a lead Federal agency to coordinate Federal, State and private sector activities. Your committee stated in its FY 1990 report that "the Committee would like the Interagency Task Force to map out the steps necessary to accomplish those recommendations, to carry out as many of those steps as it can, and to report back to the Committee." Unfortunately, we are still waiting.

Furthermore, we ask this Subcommittee to provide sufficient funding to implement these recommendations throughout the agencies already involved in TBI programs and those agencies yet to be identified.

We recognize and appreciate this committee's appropriations of nearly $15 million in new funds for the Rehabilitation Services Administration (RSA) for FY 1990 to establish four regional head injury centers of excellence, marking the first-time congressionally directed Federal monies were appropriated for head injuries. We request that $20 million be allocated under RSA programs and authorizations to increase the number of Head Injury Regional Centers of Excellence in FY 91. We are particularly concerned for the needs of those with severe disabilities and would urge more funds to be allocated under Title VII Part A. This program has been under funded so that there is no hope of the goals of this program being met.

Exciting recent advances in the neurosciences have the potential to dramatically improve the lives of millions of Americans with TBI and neurological diseases. The NHIF recognizes the NINDS leadership in meeting its goal through its research activities related to all areas of neurological trauma, neural transplants, neural regeneration and the development of neurophannocology. The need to maintain and expand clinical and epidemiologic investigations aimed at improving diagnosis, treatment and restoration of function has never been so important as it is today with the progress being made. The NHIF is particularly interested in a balanced support of studies which would refine treatment protocols for the acutely injured and continue the exciting and promising work being done in cellular repair and growth. This research is pivotal in reducing the ultimate effect upon all areas of cognitive, physical, psychological and behavioral function. We are also concerned that TBI is also a major cause of epilepsy (5,000 cases annually.)

The NINDS efforts in expanding diagnostic neuroimaging techniques and in the antiepileptic drug treatment program are invaluable in isolating the origin of seizures and in improvement of diagnosis and treatment. The work of the NINDS is vitally important to all Americans stricken by neurologic disease and trauma. The "Decade of the Brain", which the Senate and House approved on July 25, 1989, four weeks after the TBI Task Force Report was released, indicates your commitment to the need for the focus in research and new resources.

Therefore, the NHIF requests $15,000,000 to be appropriated in FY 91 for the NINDS to direct to the TBI program and to implement Task Force Recommendation #4 to create a national network of 15 centers for TBI research. In light of the documented economic costs of trauma care and acute medical management and care service of $25 billion annually, we feel that $15 million would be an excellent investment in the future health of all Americans.

In November, 1987, the Office of Special Education and Rehabilitative Services (OSERS) and National Institute on Disability and Rehabilitation Research (NIDRR) sponsored a brain injury invitational conference as part of the U.S. Department of Education's initiative on traumatic brain injury. Former Secretary of Education, William Bennett, took part in the conference, which was coordinated by the OSERS Task Force. The conference proceedings were published in a book titled, "Traumatic Brain Injury", edited by Paul Bach-y-Rita, M.D. I bring this to your attention, because of the importance of the conference proceedings as further corroboration of the Federal Interagency Task Force Report.

The pursuit of rehabilitation research and demonstration programs has never been so urgent. The work of the NIDRR is most valuable as it has been the main contributory agency for rehabilitation research on head injury. We request an appropriation or allocation of $10 million to fund NIDRR initiatives in TBI. The need is great for professional education and training for continued research and model programs which deal with psychosocial problems for survivors and families. Attention needs to be given to rehabilitation of children and adolescents as they struggle to return to school, home and community. Research and model demonstration programs have slowed because of funding. Many of the Task Force recommendations are pertinent to re-mandate NIDRR. Independence and quality of life depends on the post acute rehabilitation effort.

The NHIF is very concerned about the thousands of children and adolescents head injured each year. Special education services are not what they should be. When appropriate, they can enhance the future and destiny of these children. A million children receive head injuries each year. From bicycle accidents alone, 50,000 receive head injuries annually, and 400 die. Injured children become disabled adults, but children have a unique support system through the education department and special education, therefore we ask you to encourage and seek funds for OSERS/Office of Special Education (OSEP) to continue their beginning efforts to educate, to train teachers in TBI - early identification, to collect data on incidence and to develop special model demonstration programs so that children can be appropriately served by the special education system and that their parents receive needed supports and assistance to raise awareness, train and educate school personnel.

The long-term needs including life long living and vocational support of the severely disabled youth and adults among this population has yet to find its place and its eligibility status within Federal and State agencies. Agencies such as Health Care Financing Administration (HCFA) and the Social Security Disability Administration. The National Institute of Mental Health (NIMH), Institute of Drug and Alcohol Abuse, Institute of Child Health & Human Development and Maternal and Child Health also have a role in the issues stated above and need to be included in Task Force planning.

Congressman, we began this movement to raise public attention to this problem in 1980. The Federal budget was strained, and we were told then there were no excess resources to address this national public health plague of head injury. Let us start this year by appropriating $5 million for a public awareness campaign under the Department of Public Health, which would include a strong media campaign, educational materials for children, youth and adults. We request this committee to urge and cause the Public Health Service to make injury prevention a strong, constant and effective message as the Department has done so effectively with AIDS, smoking and drug use. I cite the initiative which under Assistant Secretary for Health Dr. James Mason had an extraordinary impact - every house in America received information regarding AIDS at a cost of many million dollars. We know that head injury takes mobidity and mortality than any other single disease at this time.

Unlike some diseases and quests for elusive cures which capture public interest and dollars, we know what the cure is for the disease of TBI, it is simply prevention. The National Highway Traffic Safety Administration (NHTSA) and Centers for Disease Control (CDC) are working cooperatively on injury control. This is a partnership we support and encourage. In the annual "Cost of Injury" by McKenzie and Rice, sponsored by NHTSA and CDC, they estimate of the $160 billion spent on expenditures related to death and injury in 1985, with the private sector bearing 72% of the costs and the public 28% (VIZ) (taxpayers) of the expenditures. Over $20 billion is attributable to increased costs with Medicaid and Medicare ($8.9 billion) and with social security disability, supplemental security income and the Veterans Administration benefits ($13 billion). Injury needs a strong agency to vigilantly pursue prevention, therefore the NHIF recommends CDC as the lead agency to coordinate the national injury control program, because of its unique capabilities in its research and prevention agendas.

We recommend with American Public Health Association that this be funded in 1991 at $50 million.

Since the mid-eighties, there has been significant documentation of Injury in America in numerous reports and studies of the epidemic scope, severity and costs to society. Among them, the National Academy of Science issued two reports; "Injury in America: A Continuing Public Health Problem" and "Injury Control - A Review of Status and Progress; The Cost of Injury in the U.S.", Rice & McKenzie, a report on cost of injury to Congress in 1989 for NHTSA and CDC; and "An American Crisis in Trauma Care Reimbursement" by Champion, H. R. and Mabee, M .J.

From these reports we know the extent of the productive years lost and the economic cost to all injury in 1985 was $157.7 billion. In 1990 it is estimated that the cost will rise to $190 billion. The life years lost from injury are two times greater than lost to cancer, and three times greater than lost to cardio-vascular disease. The heartache and grief caused by catastrophic loss can not be measured. How much hard information do we need? We ask this question of Congress. When will injury in America have its place for National/Federal attention, not just in rhetoric, but in the ammunition to fight any war, the dollars to make the difference in our death and disability tolls? The magnitude of injury as a public epidemic and its $190 billion price tag is obviously well-documented. With this data and these studies in your hand, we ask you to begin to focus attention and allocate appropriate resources to this national public health epidemic as we begin the 90's, "The Decade of the Brain."

The Consortium of Citizens with Disabilities (CCD) 1990 Report to the U.S. Bi-Partisan Commission on Comprehensive Health Care states "that the nation's health care system has failed to provide adequate access to the comprehensive services required to meet the unique needs of this (TBI) population." Their report refers to the Federal Interagency Tack Force Report including a special emphasis to give attention to financial and legal reforms needed to insure availability and accessibility of TBI care. They further comment on the significant subgroup of individuals with severe disability from head injuries, who may need years of care and rehabilitation and support services. Limits on these services jeopardize full recovery and opportunity to lead independent lives in the mainstream of society. Their report on head injury concludes with: "The need to improve access to comprehensive health, personal and support services for persons with head injuries and their families is equally important to other persons with disabilities."

The NHIF is pleased that the CCD understands and supports the recommendations of the Interagency Head Injury Task Force, and that they recognize the scope of the problem as outlined, as well as the need to take action and provide resources for implementation.

In closing, we request this committee appropriate new funds to meet the task force recommendations, which address these issues under Prevention, Clinical and Community Service Settings, Post

Acute Critical Care and Rehabilitation, Community Services, Minor Head Injury, Training and Education, Public Health Surveillance and Research. Head injuries are not diminishing. Survivors are increasing in numbers. The deficit is on the same track, but well directed and well spent funds can help reduce long term societal costs, which will ultimately effect the high cost of dependence and disability.

The NHIF supports the full budget recommendations of the CCD for FY 91, and endorses the Consortium's statement regarding the need to reduce the budget deficit, but not at the expense of persons with disabilities and their families.

Lastly, we are pleased to know that many of you support the establishment of a Center for Rehabilitation Research. NHIF had the honor of serving on a special advisory panel to the National Institute of Health (NIH) for establishment of such a center. For the 43 million Americans with disability, this initiative is timely, needed and appropriate for this decade. Rehabilitation needs to have its place and its recognition as an important and valuable science if restoration of function is the goal we truly seek.

Thank you for this opportunity to bring the issues of traumatic brain to your attention. We depend on you for the future. The NHIF stands as always ready to assist this committee and their staff in any way we are able such as provide information and resources.

## NATIONAL HEAD INJURY FOUNDATION RECOMMENDATIONS

NHIF supports the FY 91 budget as recommended by CCD for all programs for people with disabilities

NHIF encourages appropriations to implement recommendations and strategies as recommended by the Federal Interagency Head Injury Task Force, which are strengthened by reports and documentations requested by Congress.

- $15 million for NINDS to create a network of TBI Research Centers particularly in enhancing early medical treatment protocols.
- $ 7 million to be allocated for TBI research demonstration programs and training services in NIDRR.
- $20 million to be allocated for TBI under various RSA programs and authorizations to increase the HI regional centers and systems of services focusing on long-term support systems for vocational services, housing and community services.
- $ 5 million over the next year, FY 91, for the Department of Public Health to launch national public awareness and educational programs and to support the National Head Injury help line.

$50 million to be allocated to CDC for injury program.

Statement of
AMERICAN LIBRARY ASSOCIATION

to the
House Subcommittee on Labor-HHS-Education Appropriations
on

Library Programs in the FY 1991 Labor-HHS-Education Appropriations Bill

April 30, 1990

For the first time in nine years, the Administration has recommended funding for an existing Education Department federal library program, and has even recommended a significant increase for one small library literacy program. The American Library Association, a nonprofit educational organization of more than 50,000 librarians, trustees, educators, and other friends of libraries dedicated to the improvement of library services, welcomes this significant change in policy. However, ALA also notes that the very heart of the largest federal library program, titles I and II of the Library Services and Construction Act, would be eliminated in President Bush's FY 1991 budget. In total, library programs would be reduced by more than 71 percent.

On March 15, 1990, a five-year reauthorization and amendment of LSCA was signed into law by President Bush. PL 101-254 established specific authorization levels for FY 1990 and such sums as necessary for each of the next four years. For FY 1991, ALA recommends appropriations in the amounts newly authorized for each LSCA title for FY 1990. In a similar spirit, ALA recommends for the Higher Education Act title II the specific amounts authorized for FY 1987. ALA also recommends amounts shown in the attached table for the Chapter 2 school block grant, the National Commission on Libraries and Information Science, the National Center for Education Statistics, the National Library of Medicine, and the White House Conference on Library and Information Services. ALA emphasizes the clear need for the two programs the Administration would eliminate--LSCA I, Public Library Services, and LSCA II, Public Library Construction and Technology Enhancement.

LSCA began 34 years ago to extend public library service to unserved rural areas, and stands as one of the most remarkable federal success stories in that some form of public library service is now available to almost all the U.S. population. However, neither the need nor the federal achievements stop there, nor should a program which has evolved so dramatically to meet changing needs be judged only on its original purpose. Availability of public library service is not necessarily access if the would-be user is in a wheelchair, does not read English, is confined to an institution, or is blind; or if the library has no access to resources beyond its walls.

Federal funds do not constitute a significant portion of local public libraries' operating budgets. Federal funds do not substitute for state support of public library service, but they stimulate it. LSCA fills in the gaps in public library service, provides seed money for new services and technologies, supports those services more efficiently provided at a regional or statewide level, and stimulates cooperation across geographic and political boundaries. It is a modest, continuing, and entirely appropriate federal role.

How do the states use LSCA I funds to improve public library services? Each state through its library administrative agency receives an allocation and must meet matching requirements. Based on its LSCA plan, developed with widespread input, the state library agency must balance its allocation among subgrants to individual libraries and statewide service delivery. In addition, state agencies may use up to six percent of LSCA I and II funds for LSCA administration (but not more than $60,000). LSCA wisely allows for considerable flexibility for states to tailor programs to their own circumstances within the eligible purposes, but a "typical" state with a few urban areas, a number of small local libraries, and considerable rural area might support the following types of programs.

Subgrants to local public libraries

- Services to the elderly - large-print books, bookmobile service or deposit collections for nursing homes and senior centers
- Literacy services - special materials, tutor recruitment and training
- Services to new immigrant groups
- Services to child care centers - storytelling, library materials
- Urban libraries - which serve many beyond the city limits
- Community information and referral - provide information, create databases of government services, job information
- Small business services - how to compete for government contracts, how to find and use government data, etc.

Statewide services and projects

- Direct service to users not reached by local libraries
  - Bookmobile and books-by-mail service to rural residents
  - Institutional library service to prison inmates, residents of state mental health institutions, group homes
  - Recorded and braille materials, special equipment to the blind and physically handicapped at home
- Support services for local libraries
  - Summer reading program coordination
  - Backup reference service, often through toll-free lines
  - Interlibrary loan services
  - Backup collections and/or centralized cataloging (film and video, foreign language materials, etc.)
  - Consultant support to local public libraries for automation, new technology, literacy programming, problem solving, needs assessment

- Continuing education, training, certification programs for local libraries, especially small libraries with minimally trained staff
- Statewide library card (reimbursement for loans to users outside each library's area)
- Consumer health information delivery

Pennsylvania estimates that the average public library would have to spend another $10,000 to serve blind and physically handicapped users without state and federal aid. State funds help support two regional libraries for the blind, but increases have not kept up with the growth in the visually handicapped as the population ages. LSCA funds have enabled automation of the system, allowing profiles of the interests of these users, so that limited and expensive recorded and braille materials can be used most efficiently.

In addition to targeted population groups such as the blind, LSCA allows funds to be used in more general categories such as improving inadequate service. This provides scarce venture capital for libraries, encouraging new uses of technology and innovative services on a trial basis. If they prove useful, local or state funds may continue them. A growing number of LSCA projects involve library services to children. With all adults working in so many households, libraries have begun taking their storytelling skills and children's materials to preschools and day care centers, and establishing homework centers and special programs for latch-key children. To free scarce local dollars for such efforts is difficult; but with local support, to continue a successful LSCA pilot project is possible. Until the new reauthorization, child-centered activities were not a targeted purpose, but a flexible category such as improving inadequate services allowed states to adapt LSCA to changing circumstances.

What is the impact of such library activities? A recent study in Florida examined the role of public libraries in the educational system (just one of several public library roles). Florida public libraries are open for longer hours and on more days of the week than any other educational enterprise. About 26 percent of the state's population are registered borrowers, the largest enrollment of any educational program. Floridians borrow 47 million books per year on 35 million visits to public libraries. Over one third of these visits are for educationally related purposes. Preschool programs in public libraries reach over 300,000 children. Florida public libraries provide almost one third of the literacy training programs in the state.

For LSCA II, the new reauthorization added "technology enhancement" as an eligible purpose, meaning library bibliographic automation equipment, computer, video, and telecommunications equipment, and equipment necessary to provide access to information in electronic and other formats. This amendment responds to an expressed need, and fits well in the context of current uses of LSCA II library construction and renovation funds. About 50 percent of LSCA II funds are used for remodeling to accommodate the use of new technology, to provide access to the handicapped, and to conserve energy; 25 percent for new construction; and 25 percent for building additions, land purchases, etc.

Public library requests for LSCA II assistance always far outstrip the funds available. Many states award smaller grants to more libraries rather than the full amount requested to a few. The result is that a small amount of federal funds stimulates more than twice the required match for each project. State after state report that most of these projects would not have been initiated without the infusion of LSCA funds.

Federal library programs are among the cost-efficient uses of government money. LSCA and HEA II provide a lot of "bang" for a few bucks. As the Louisiana State Librarian recently said: "This country built interstate highways to make it possible for people and things to move safely, quickly, easily. One highway accommodates everyone, whatever the reason for the trip. In a way, state library agencies use LSCA to build interstate highways for the mind."

ALA appreciates the Subcommittee's support of federal assistance to libraries, and particularly recommends appropriation of the final $1,025,000 for the White House Conference on Library and Information Services. State preconference activity has begun this spring, and financial commitments for the July 1991 Conference must be made. ALA recommends House agreement to the $425,000 of this pending in the Senate version of a FY 1990 supplemental funding bill. The remainder is needed in FY 1991. Both House and Senate members of LSCA authorizing committees, from both sides of the aisle, have indicated on several occasions that they look to the WHCLIS for a major review and policy recommendations for the next LSCA reauthorization.

ATTACHMENT

ATTACHMENT

## SUMMARY OF AMERICAN LIBRARY ASSOCIATION APPROPRIATIONS RECOMMENDATIONS
FY 1991 Labor-HHS-Education Appropriations

| LIBRARY PROGRAMS | | FY89 Appropriation | FY90 Appropriation | FY91 Authorization | FY91 Admin. Request | FY91 ALA Recommendation |
|---|---|---|---|---|---|---|
| Library Services and Construction Act | TOTAL | $127,165,000 | $126,321,000 | such sums | $ 27,737,000 | $207,500,000[1] |
| Title I, Public Library Services | | 81,009,000 | 82,505,000 | such sums | -0- | 100,000,000 |
| II, Public Library Construction | | 22,324,000 | 18,900,000 | such sums | -0- | 55,000,000 |
| III, Interlibrary Cooperation | | 19,102,000 | 19,551,000 | such sums | 20,372,000 | 35,000,000 |
| IV, Indian Libraries | | (funded at 2% setaside of appropriations for LSCA I, II, & III) | | | | |
| V, Foreign Language Materials | | -0- | -0- | such sums | -0- | 1,000,000 |
| VI, Library Literacy | | 4,730,000 | 5,365,000 | such sums | 8,365,000 | 10,000,000 |
| VII, Evaluation and Assessment | | --- | --- | such sums | --- | 500,000 |
| VIII, Library Learning Ctr. Pgms. | | --- | --- | such sums[2] | --- | 6,000,000 |
| Higher Education Act lib. programs | TOTAL | $ 10,035,000 | $ 10,325,000 | such sums | $ 10,325,000 | $ 31,000,000[3] |
| Title II-A, College Library Resources | | -0- | -0- | such sums | -0- | 10,000,000 |
| II-B, Training, Research | | 709,000 | 855,000 | such sums | 855,000 | 5,000,000 |
| II-C, Research Libraries | | 5,675,000 | 5,738,000 | such sums | 5,738,000 | 10,000,000 |
| II-D, Technology | | 3,651,000 | 3,732,000 | such sums | 3,732,000 | 5,000,000 |
| VI, Sec. 607 Foreign Periodicals | | -0- | -0- | such sums | -0- | 1,000,000 |
| Hawkins/Stafford Elementary/Secondary School Improvement Act, ESEA Chapter 2[4] | | $490,740,000 | $487,894,000 | $640,000,000 | $506,620,000 | $506,620,000 |
| National Commission on Libraries and Information Science | | $ 741,000 | $ 750,000 | $ 750,000 | $ 770,000 | $ 770,000 |
| National Center for Education Statistics (incl. library surveys) | | $ 31,122,000 | $ 39,739,000 | such sums | $ 60,404,000 | $ 60,404,000 |
| National Library of Medicine (incl. Medical Library Assistance Act) | | $ 73,731,000 | $ 81,861,000 | such sums | $ 89,916,000 | $121,500,000[5] |
| White House Conference on Library and Information Services | | $ 1,750,000 | $ 3,225,000 | $ 1,025,000[6] | -0- | 1,025,000 |

[1] For LSCA, ALA recommends amounts authorized for FY 1990 in PL 101-254, signed March 15, 1990.

[2] Under PL 101-254, no appropriation may be made for LSCA VIII unless the total for LSCA I, II & III is at least equal to the previous year's total plus 4%. (ALA's first priority for LSCA funding is restoration of LSCA I & II levels, zeroed out in the Administration's budget.)

[3] For HEA II, ALA recommends amounts authorized for FY 1987.

[4] The six targeted uses of Chapter 2 funds include school library resources and training of librarians.

[5] ALA recommends funding above the Administration's request in order to implement the recommendations of the NLM outreach planning panel.

[6] PL 100-382, signed August 8, 1988, authorized a total of $6 million for a WHCLIS, scheduled for July 9-13, 1991.

American Library Association, Washington Office, 202/547-4440

April 1990

AMERICAN BAR ASSOCIATION
GOVERNMENTAL AFFAIRS OFFICE • 1800 M STREET, N.W. • WASHINGTON, D.C. 20036 • (202) 331-2200

Statement of

BRUCE NICHOLSON

on behalf of the

AMERICAN BAR ASSOCIATION

before the

SUBCOMMITTEE ON LABOR, HEALTH AND
HUMAN SERVICES AND EDUCATION

COMMITTEE ON APPROPRIATIONS

of the

UNITED STATES
HOUSE OF REPRESENTATIVES

on the subject of

FY91 FUNDING FOR
LEGAL EDUCATION

April 30, 1990

Mr. Chairman and Members of the Subcommittee:

I am Bruce Nicholson, Legislative Counsel with the Governmental Affairs Office of the American Bar Association. I submit this statement on behalf of the Association at the request of our President, L. Stanley Chauvin, Jr., to express our support for the continued funding of the Council on Legal Education Opportunity (CLEO) and the clinical legal experience program.

These two programs are modest in size, CLEO receiving $2.4 million and the clinical legal experience program $4.9 million for the current fiscal year. But they have an impact which goes far beyond their small size.

The Council on Legal Education Opportunity has been a major factor in the dramatic rise in the number of persons from disadvantaged backgrounds, particularly minorities, receiving a legal education. Our Association joined with other concerned organizations in 1968 to create CLEO as a means of addressing the problem of the underrepresentation in the legal profession of minorities and other disadvantaged persons. The program has sought to identify such persons and encourage them to apply to law school; to provide special pre-law school training to assist their entry into law school and their performance once enrolled; and to aid them financially while there.

When the program began in 1968, only one per cent of the nation's lawyers were members of minority groups. That figure has grown to more than 4%, and the figure continues to rise as the number of minorities entering law school increases each year. The percentage of minorities in the first year class at the nation's law schools this year is 14.1%, up from 13% last year. Minorities now make up 12.6% of the law school student body nationally, up from 11.6% last year.

CLEO has provided the opportunity for over 5000 students to attend law school. But beyond the students it has aided directly, the program has served to encourage law schools to increase their own efforts to ensure that all segments of society will be adequately represented in their student bodies and, ultimately, in the legal profession.

In 1986 CLEO was reauthorized to continue in existence through 1991, with authorization ceilings of $5 million for FY 87 and "such sums as may be necessary" thereafter. The Administration has recommended an appropriation of $2.46 million for CLEO for FY91, which if approved would maintain the program at its current level without adjustment for inflation.

While these amounts have enabled CLEO to increase its support last year to minority law students, CLEO stipends have significantly declined as a proportion of overall support when measured against steep increases in tuition and other costs over the past decade.

We support the requested appropriation of $3.0 million for FY90. This increase would permit first year CLEO fellows to receive stipends of $3000 rather than $2800, and second and third year fellows $2700 rather than $2500, in the coming year. This amount remains well below the stipend amounts under other federal programs for graduate and professional students, which currently provide assistance of $6000 or more. Even with this modest increase, support for CLEO fellows will remain far below the 1974 inflation-adjusted level of CLEO stipends. It would also allow for an increased number of CLEO fellows. This worthy, cost-effective program deserves and needs this modest increase.

The clinical legal experience program, which is currently funded at $4.9 million, is a much-needed supplement to the resources being spent each year by law schools on clinical legal education. These clinical programs, like their counterparts in the medical schools, permit the student to gain experience in the actual provision of services to those in need and to assume the professional responsibility of making decisions vitally affecting their clients. Clinical experience thus provides an invaluable ingredient in the student's training, greatly strengthening his or her ability to provide quality legal services to consumers upon graduation.

Such programs, however, necessarily involve close supervision and review of the students by law professors and practicing lawyers, and the student-teacher ratio must be far lower than in a conventional classroom teaching arrangement. Currently, 448 faculty members are devoting all their time to clinical professional skills programs and 1368 faculty members are devoting part of their time. While the law schools have diverted funds from other educational activities to experiment with and improve upon clinical experience programs, they are finding it increasingly difficult to support further expansion and improvement of these programs.

We believe this program has demonstrated clearly its effectiveness and should receive ongoing funding, and we urge your subcommittee to support an appropriation of not less than the current $4.9 million.

# Statement of
# the Coalition of EPSCoR States
# to be Submitted for the Record
# Subcommittee on
# Labor, Health and Human Services, Education, and Related Agencies
# Senate Committee on Appropriations
April 30, 1990

INTRODUCTION.

Mr. Chairman and Members of the Subcommittee, we appreciate the opportunity you have given us to submit this statement. The Coalition of EPSCoR States was formed approximately one year ago to work in support of the concepts embodied in the National Science Foundation's Experimental Program to Stimulate Competitive Research (EPSCoR).

The National Science Foundation established EPSCoR in 1979 for the purpose of developing the capacity of scientists and institutions in eligible states to compete more successfully for Federal research funding from NSF and other Federal agencies. The EPSCoR approach involves a coordinated state-wide planning effort, designed to identify programs which will facilitate the creation of pockets of research excellence within each state. Since 1979, 16 states and Puerto Rico* have been designated by NSF as eligible for participation.

The EPSCoR Coalition was formed to increase awareness of the EPSCoR program, to secure additional funding for it at NSF, and to encourage other agencies and departments of the Federal

*Alabama, Arkansas, Idaho, Kentucky, Louisiana, Maine, Mississippi, Montana, Nevada, North Dakota, Oklahoma, Puerto Rico, South Carolina, South Dakota, Vermont, West Virginia and Wyoming.

government to adopt complementary initiatives. By this statement we request this Subcommittee's support for initiating an EPSCoR-type initiative at the National Institutes of Health (NIH).

Characteristics of the EPSCoR States.

Presently, Federal research funding is concentrated in relatively few states and regions of the nation. As you can see from Chart I, the 16 EPSCoR states and Puerto Rico, while containing 13% of the United States population, receive only 5.6% of Federal research and development dollars. In contrast, the top five research states, with 27.9% of the population, receive 44.5% of Federal research and development dollars. It is not surprising, therefore, -- in fact it may be related, -- that the EPSCoR states tend to have a per capita income that is lower than the national average and substantially lower than the top five research states. This is shown in Chart II.

The EPSCoR experiment, while funded at only one-quarter of one percent of the NSF budget, was designed as a first step in addressing this disparity. The EPSCoR approach involves the establishment of a state-wide coordinating mechanism to:

-- Identify state and institutional barriers to successful competition for funding.

-- Develop a comprehensive improvement plan supported by state and institutional resources.

-- Undertake a merit review of all EPSCoR programs and;

-- Implement an improvement plan focusing on infrastructure improvement, research enhancements and human resource development.

The result has been a significant improvement in state support for research and development in the EPSCoR states. As you can see from Charts III and IV, Federal support as a percent of total spending for research and development at our research universities continues to lag significantly behind both the national average for Federal support and the percentage of support provided to the top five states. On the other hand, state support in the EPSCoR states is twice the national average and over seven times as great on a percentage basis as it is in the state that receives the greatest amount of Federal support.

Initiating an EPSCoR Program at NIH.

Mr. Chairman, it is now time for a serious government-wide, systematic effort to broaden this Nation's research base, and we believe that the EPSCoR approach, as developed and refined by NSF for over 10 years, is the best way to proceed. We are not alone in this view; Dr. D. Allan Bromley, the President's Science Advisor, and Mr. Erich Bloch, the NSF Director, have expressed specific support for having the EPSCoR model adopted by other departments. We would also note that the Association of American Universities (AAU) and the National Association of State Universities and Land-Grant Colleges are both on record in this regard.

Accordingly, we hope that this Subcommittee will consider having the National Institutes of Health make available a small amount of their research funding, perhaps up to $4 million, to states for competitively-awarded EPSCoR-type grants. This amount of money could support a number of planning grants for states to assess their potential in areas of biomedical research and to develop comprehensive plans to develop this potential. For those EPSCoR states that have already made progress in this area, there could be a small number of larger implementation grants that would support research enhancement, infrastructure improvement and/or human resource development in biomedical research and related sciences.

Conclusion.

In 1979, NSF, faced with a requirement in its charter that it "avoid undue concentrations of research" initiated EPSCoR in an effort to broaden the distribution of its research funds. As developed over the last decade by NSF, this state-based model has proven effective; two out of the last three engineering research centers awarded by the Foundation went to institutions in EPSCoR states.

We in the Coalition believe that this proven model should be extended to other departments and agencies that fund research, including the NIH. With the support of this Subcommittee, we are confident that the breadth of the research enterprise funded by NIH will be improved and that a significant enhancement of our human resource potential in the biomedical area will result.

Chart I

COMPARISON OF POPULATION AND FEDERAL R & D $$ AS PER CENT OF THE U.S. TOTAL

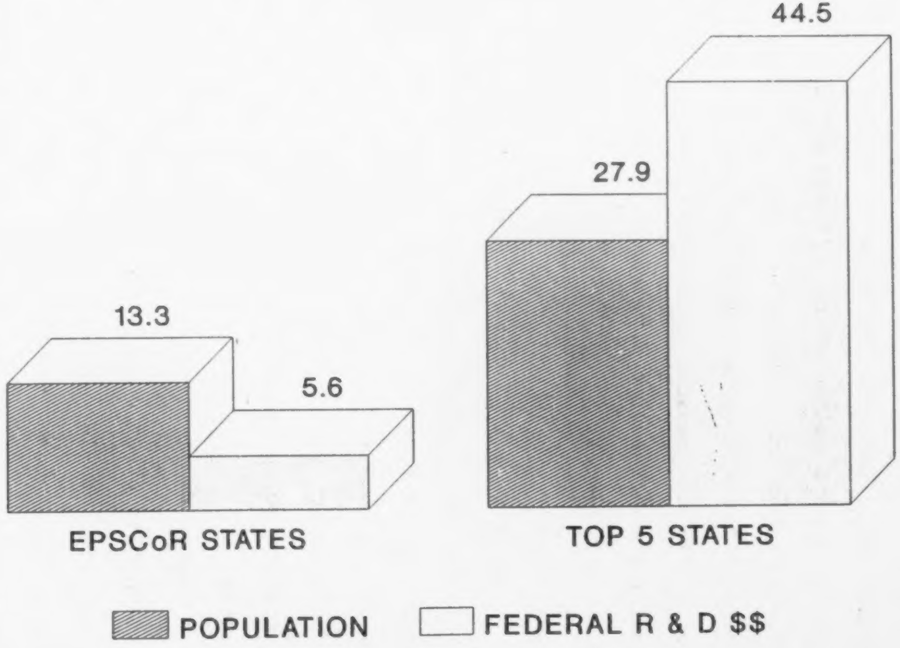


Chart II

## PER CAPITA INCOME, 1988
## PER CENT OF NATIONAL AVERAGE

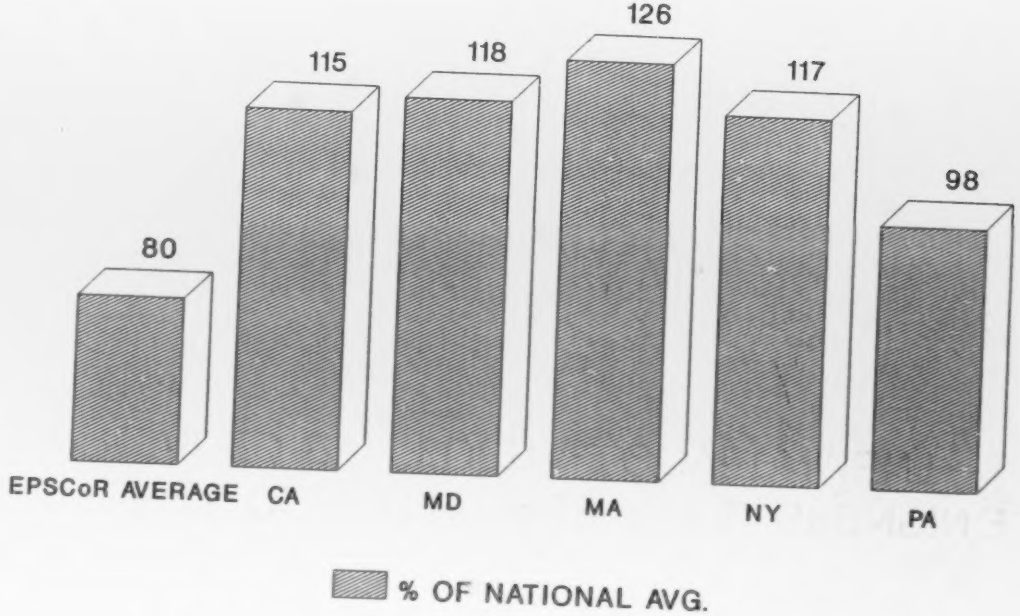


Chart III

PER CENT OF TOTAL 1988 R & D SPENDING
PROVIDED BY FEDERAL GOVERNMENT

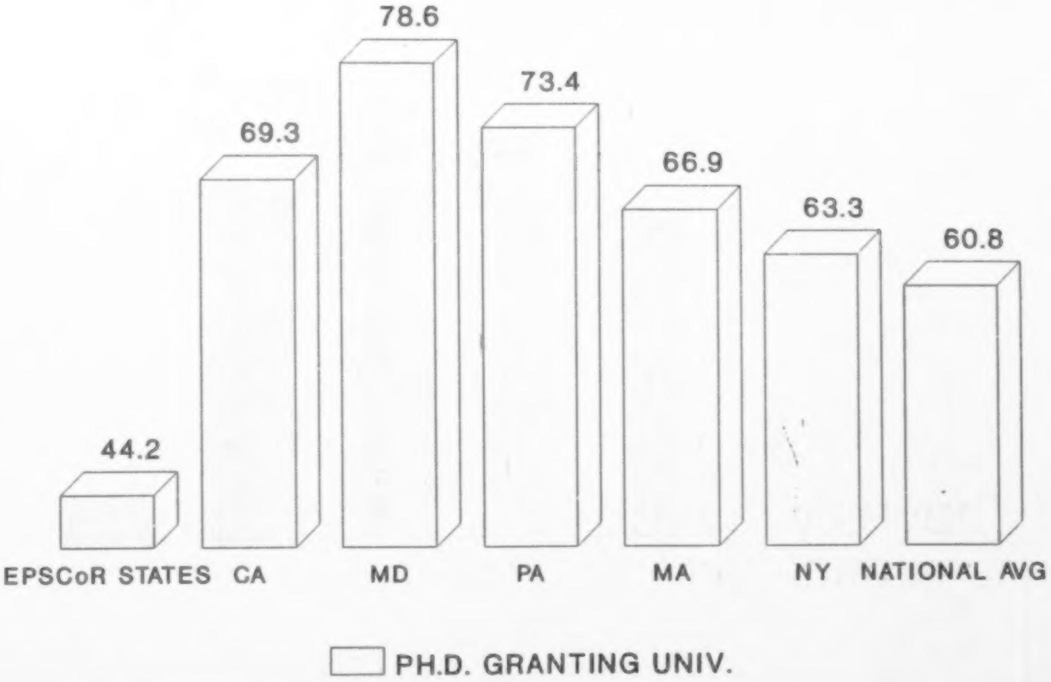
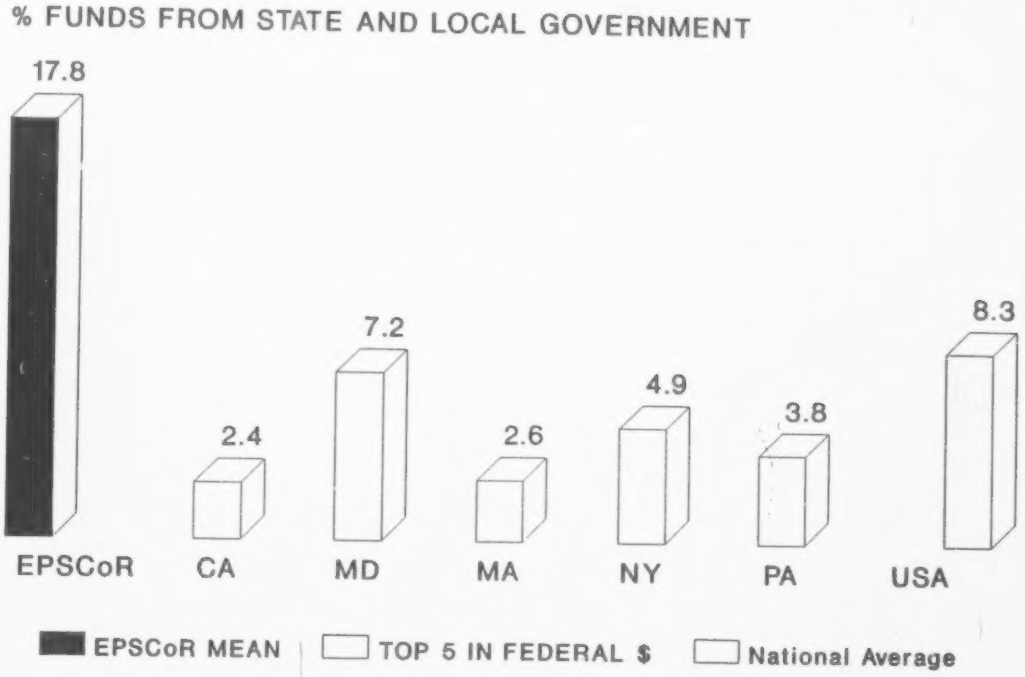


Chart IV

## RESEARCH AND DEVELOPMENT SPENDING BY DOCTORATE-GRANTING UNIVERSITIES FY 88



Source: National Science Foundation

# TESTIMONY

Robert W. Day, M.D.
Director

Fred Hutchinson Cancer Research Center

before the

House Appropriations Subcommittee
on Labor, Health and Human Services,
Education and Related Agencies

April 30, 1990

Mr. Chairman and Members of the Committee, I am Dr. Robert W. Day, Director of the Fred Hutchinson Cancer Research Center ("Hutchinson Center") in Seattle, Washington. The Hutchinson Center is one of the comprehensive cancer centers recognized by the National Cancer Institute. The Center, incorporated in 1972 and began operations in 1975. It is well recognized nationally and internationally for pioneering research in the development of bone marrow transplantation for the treatment of malignancies, for its strengths in basic sciences, particularly molecular biology, and for its extensive activities in cancer prevention and cancer control research.

Federal Fiscal Year 1991 represents a major opportunity for the Congress to address problems that have accumulated over the past several years with Federal support for biomedical research.

During the 1980's the budget of the National Institutes grew an average of 3.6% a year in constant dollars. However, the inflation in costs of performing medical research grew as well and the growth of our research budget has not kept pace with inflation. Further, emerging technologies, exploration of promising new and important areas of biological research, and the gradually expanding capacity of the Nation to perform biomedical research have contributed to what is now a serious shortfall in Federal support.

This year the Hutchinson Center is experiencing the most stringent conditions for the performance of externally supported research that I can recall. Only one in four meritorious new grants is being funded this year. Noncompeting renewals of existing grants are being reduced by an average of 10%, compounded upon decreases of support in prior years of 9 and 11%. Those fortunate scientists to have new awards are seeing their budgets reduced by approximately 20% from the carefully peer reviewed, and in most instances already reduced budgets that are considered the minimum to do the scientific work proposed.

Over the past decade there has been a major erosion in support for training, for construction, and for new technology. The infrastructure of the research enterprise in this country is seriously threatened. We have had virtually no construction money or support for renovation or for new technology since 1986, except for small programs to address top priority programs--AIDS construction, equipment and instrumentation; and, animal facilities.

Training support has been reduced. In the 1970's, 13% of the overall

Budget was directed to research training. In 1991, less than 5% will be spent on training. When coupled with the current, very bleak prospects for support during a research career we are on the threshold of losing an entire generation of biomedical investigators.

Contrast this with the promise of immediate as well as future benefits from expanding and strengthening our research enterprise. I can speak best for the field of cancer research. Developments in the basic knowledge of cells and cellular mechanisms is beginning to see fruition in practical applications in prevention, diagnosis and treatment. Testimony provided to you by the Institutes and by other witnesses details the importance of growth factors in the treatment of various kinds of cancers, advances in early diagnosis, and clinical trials demonstrating better ways of managing cancers to prolong survival. Literally an entire storehouse of new and emerging information about the cell and the controls of growth and differentiation will, if support is appropriate and forthcoming, rapidly find its way into new and improved applications in the clinical setting.

We are learning more about ways to prevent cancer. Much of this is based on understanding better what causes cancer. Investigators at the Hutchinson Center have a major interest in determining whether or not reductions in dietary fat will as predicted result in reductions in a number of cancers that afflict women, notably breast, ovary, colon and endometrial. In addition, a trial which reduces fat will also be beneficial in reducing heart disease. A number of groups around the country are interested in participating in a multicenter trial of this sort. Unfortunately, although the design has received strong support through peer review, budget shortfalls have thus far prevented beginning such a major study which will have important implications for how we as a nation can improve our health and reduce a number of very consequential diseases.

Major improvements in our health have been brought about through research. Other improvements lie ahead if we maintain the commitment to research. A long life as free of disease as possible is something I believe almost all of us strive for. What we lack is the knowledge of how to reach this objective.

The last decade has seen, in addition to major improvements in our knowledge and our ability to manage a variety of diseases, the growth of a new industry in the United States. In biotechnology we are first and foremost. It is the knowledge that has accumulated from the public investment in biomedical research that is the foundation of this industry. In Seattle, for example, several companies were started successfully by scientists at the Hutchinson Center. Steady growth of new biotechnology companies based upon the work of the scientific staff of the Hutchinson Center has characterized the past several years. Support of the National Institutes of Health has been vital in developing and maintaining this new industry with the United States at the forefront. We could lose this quickly unless we maintain a vigorous research base from which potential applications are derived. To receive the benefits of basic studies it is necessary to have the applied research and development and ultimately the products that influence our health. We must maintain a large, well-supported and well-equipped cadre of excellent scientists whose discoveries will continue to fuel the industry.

I support the proposal of the Ad Hoc Group for Medical Research of $1.4 billion above the 1991 President's Budget Request as the minimum increase for the NIH. This is one-third of one percent of the Defense Appropriation. It will solve many of the problems in the support of research. Since only one in four meritorious research proposals is currently supported there is room to expand the research base with support of excellent science which currently goes unfunded. The research system thus has the capacity to perform well with such an increase. Additional dollars will aid in training a new generation of scientists and will provide continuing evidence that as a national priority support of biomedical research remains one of the highest items.

Many of the problems mentioned above are the result of severe underfunding for biomedical research through the National Institutes of Health. And while the proposal to increase support to the Institutes overall by $1.4 billion in FY 1991 will benefit all aspects of the Institutes work, there are two very specific areas to which I wish to address further comments.

The Cancer Centers Program of the National Cancer Institute is severely impacted by a budget shortfall. For example, in FY 1988 one major cancer center was phased out. Fifty-eight cancer centers remained, and in 1989 four of those could not be supported further from the cancer centers core grant budget allocation. In the current fiscal year there remains a very serious problem. Seventeen of the remaining centers are in the cycle for a competitive renewal. There is one new center application. How NCI will solve the budget problem at this stage I do not know. However, we have already been told that our core grant will be reduced again, although the specific amount of reduction has not as yet been announced. Without question some of the 17 centers up for competitive renewal will probably not be supported.

The cancer centers provide the site for at least one-half of the supported research of the National Cancer Program. The comprehensive and clinical centers are widely distributed throughout the country and lead in all areas of cancer research. In addition, these local institutions utilize their own resources and provide considerable support to improving standards and procedures for patient care, for specific efforts directed at undeserved populations, and in the promotion of improved public understanding about causes of cancer and how cancer may be prevented. Based upon the fact that cancer centers not receiving support in recent years have in the main been judged meritorious, an increase in the appropriation for the cancer centers is badly needed.

The National Cancer Institute under the National Cancer Act is empowered to present a By-Pass Budget which goes directly to the President. For FY 1991 the By-Pass Budget requests an increase of approximately $40 million over the slightly more than $100 million in the Administration's request for the cancer centers item. I urge the members of the Subcommittee to take into consideration the By-Pass Budget recommendation for the cancer centers in developing your budget for the NCI.

Further, the National Cancer Act specifies and provides support for cancer control. I have referenced already the importance of research testing the effectiveness of reducing fat in the diet upon reducing a number of cancers which are very important in women. This is a trial that we must pursue. In order to do so, however, new, additional funding for cancer prevention and control will be required. Additionally, there are a number of other very promising approaches to screening, early diagnosis and prevention of cancer which require specific support through enhancement of the budget available in cancer control. Again, the Bypass Budget recommends $157 million for cancer control for FY 1991, a figure which derives from careful review within NCI of needs which can be met by sound research to be supported in that amount.

In closing, I wish to thank you for this opportunity to present these views. I would stress again that the needs of biomedical research in this country are great, and will not be attended to without a very major increase in Federal support to the National Institutes of Health. The benefits of such an increase I believe are apparent. Those benefits include improvements in our health and well being as well as continued growth of a vigorous new industry in which the United States remains the leader. But we must now attend to developing a new cadre of scientists through better training support, by improvements in our laboratories, facilities and equipment to remain at the front rank scientifically, and thorough support of a variety of research essential to restoring vigor in our biomedical research establishment.

This concludes my formal statement, I will be happy to answer any questions you may have. Thank you.

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Testimony of

ALAN G. KRAUT
Executive Director

on behalf of

THE AMERICAN PSYCHOLOGICAL SOCIETY

on the subject of

FISCAL YEAR 1991 APPROPRIATIONS

of

THE ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

and

THE NATIONAL INSTITUTES OF HEALTH

before the

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

The Honorable William H. Natcher, Chair

April 30, 1990

◆ Advancing the scientific discipline and the giving away of psychology in the public interest ◆

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to testify concerning Fiscal Year (FY) 1991 appropriations for the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) and the National Institutes of Health (NIH). I am Alan Kraut, Executive Director of the American Psychological Society (APS), the national organization devoted to the research base for psychology.

Congress has done much in recent years to support the work of psychological, behavioral, and social scientists. We particularly thank this Committee for its leadership. And we hope that the Committee will continue to insist that ADAMHA and NIH support behavioral and social science research in a way that reflects both the role these sciences play in addressing our nation's health objectives, and the urgency with which those objectives should be pursued.

## Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA)

APS's goal is to ensure that ADAMHA is a broad-based agency that welcomes and encourages different research questions and approaches to substance abuse and mental health. No single research discipline or orientation can provide the answers to the complex questions associated with such diverse issues as prevention, substance abuse treatment, schizophrenia, depression, mental health concerns of minority and other special populations, rural mental health, women's mental health, alcoholism, children's behavioral disorders, AIDS, clinical training, divorce, unemployment, child abuse, crime and delinquency, and the other problems facing us in the 1990's and beyond.

Yet, many ADAMHA research grants programs remain narrowly focused on the biomedical aspects of these issues. For example, in recent years, chronic substance abuse and mental health disorders have commanded increased attention at ADAMHA, but this increased attention has mainly come in the form of biomedical research. We believe this is being done at the expense of behavioral and social science research as well as at the expense of services, training, and demonstration projects. Therefore, we urge that ADAMHA be directed to establish a balanced research agenda that sustains a variety of approaches to the questions of mental health and substance abuse.

## National Institute of Mental Health (NIMH)

We urge the Committee to fund NIMH research at $579.3 million in FY 91. This recommendation represents a significant increase over the President's request of $413.5 million for FY 91, a request which would not even sustain NIMH's current level of research activity. Our recommendation, developed in

**conjunction with the Mental Health Liaison Group, would provide an increase of $114.1 million over the projected current services level of $465.2 million for FY 91. This would allow NIMH to continue its current level of support for research plus fund additional research activities which have been planned but currently are unfunded or underfunded.**

**APS is deeply concerned that mental health research is being shortchanged in the proposed budget particularly in comparison to other areas of research. The rate of advancement in our knowledge of depression, schizophrenia, and other major mental health disorders is tied directly to the level of funding received for research in those areas. We believe that the mandate for rapid expansion is clearly expressed in such initiatives as the National Plan for Schizophrenia Research and the National Plan for Research on Child and Adolescent Disorders, which focus on the possible biological and behavioral causes of these conditions, and on ways in which they can be prevented or treated.**

National Behavioral Science Research Agenda -- In January, 1990, representatives of over 65 psychological and behavioral science research organizations met in a "Behavioral Science Summit" to begin planning a national research agenda for the behavioral sciences. Their fundamental objective was to develop a comprehensive long-range set of priorities and themes which are consistent with the nation's overall research agenda and which also address the most promising frontiers of basic research.

Currently, behavioral science research is funded according to a "de facto" agenda that is short term in its perspective and, for the most part, shaped haphazardly by individuals and forces outside the psychological and behavioral science community. The Summit was organized by APS and supported in part by the NIMH, to provide NIMH and other federal research agencies with a long-term, stable approach to funding research and training in the behavioral sciences. However, continued threats to funding tend to divert the focus from long-term goals. Therefore, we respectfully request that the Committee encourage the behavioral research agenda planning effort through a commitment to stable funding for behavioral and social science research within the federal research agencies.

Research Training -- Equally important to the long-term stability of behavioral and social science research is the need to expand the NIMH research training budget. This budget has been diminished in recent years to a point where young investigators will be discouraged from entering disciplines that must rely on NIMH for training support. In constant dollars, for example, the NIMH research training budget has actually declined from $5.8 million in 1960 to a projected $3.8 million in 1990. We propose that NIMH research training be increased to $47.6

million in FY 1991. This increase is urgently needed to offset the decline that NIMH research training support has experienced over the past three decades.

Basic, Brain, and Behavioral Research Division -- Recently, the NIMH Basic Science Division underwent a major reorganization, as reflected by its new title, the Division of Basic Brain and Behavioral Science, or DB3, as it is now known. We believe that this is a laudable step toward broadening the scope of basic research at NIMH, and we urge the Committee to oversee NIMH's future plans for DB3 to ensure (1) that adequate resources are allocated to the division and (2) that there is an equitable distribution of funds among the core research disciplines supported by the division.

## National Institutes of Health (NIH)

The prominent role of behavioral and social factors in disease prevention and health promotion is increasingly being recognized by federal health policy makers. Recently, this role was most clearly articulated before the Governmental Affairs Committee by James O. Mason, Assistant Secretary of HHS, who was reporting on the nation's progress in achieving health goals set a decade ago. Assistant Secretary Mason indicated that of the more than 200 national objectives set forth for promoting health and preventing disease, "the areas of greatest difficulty had their roots in behavioral and social issues, not just biomedical ones, including such issues as teenage pregnancy, low birthweight and illicit drug use."

But this is not news. For the past several years, Congress has stressed the need for stronger research into health and behavior in legislative reports and hearings on NIH and ADAMHA. In FY 1990, Congress asked NIH to report on its long-term plans for strengthening its behavioral and social science activities. We understand that a planning effort is underway. We urge the Members of this Committee to press for a meaningful response from NIH. Specifically, we recommend that NIH include in its report to Congress a schedule and explicit goals for increasing its health and behavior research from its current level of 3 percent to 10 percent.

## National Institute of Child Health and Human Development (NICHD)

APS is part of the Friends of NICHD, a coalition of biomedical and behavioral research organizations which is recommending an FY 1991 budget of $635.3 million for NICHD. This recommendation reflects the actual cost of funding research on child, adolescent and maternal health needs that Congress has previously requested should be conducted as well as other research that the scientific community feels should and can be conducted.

Specifically, this figure would eliminate the effects of "downward negotiation," and would increase NICHD's funding rate to 40 percent of approved grant applications. Our recommendation also would provide full funding for the existing 53 research centers and allow for seven new centers. Research training would be expanded over the President's budget to allow 110 additional trainees.

As illustrated in the following examples, NICHD administers a multidisciplinary program of basic and applied research using the perspectives of the behavioral and social sciences as well as the biological sciences. We believe these initiatives warrant particular attention from Congress because of their scientific merit, the need to build on basic knowledge in such areas as perception, attention, cognition and human development, and the need for more applied research perspectives on complex issues of human functioning.

Preventable injuries. NICHD has developed a Five-Year Plan that includes initiatives to address the behavioral and social factors associated with preventable injuries in children and adolescents. Such injuries -- poisonings, drownings, gunshot wounds, pedestrian injuries, car accidents -- account for more morbidity and mortality among young people than the next six leading causes combined. NICHD should be encouraged in its efforts to identify children at risk for injury and to examine effective interventions for both children and parents.

Learning disabilities. NICHD's research centers are slated for a 21.6 percent reduction in the FY 1991 budget, representing a five percent further erosion from required FY 1990 cuts. The research centers address some of the most difficult challenges facing the country today, including dyslexia and other learning disabilities which afflict thousands of children and adolescents and prevent them from functioning at their full potential in a complex society. Research aimed at the identification of the learning disabled from birth to age 3 is needed in order to develop early interventions for these individuals.

Day care. A 10-site collaborative effort is now underway to standardize the study of the effects or alternative models of care. Given the high percentage of maternal employment in the United States, we appreciate the sensitivity of such a study and encourage its scientific support.

Behavior and biology. Developmental psychobiology is the study of the interactions between behavior and biology. This field is yielding exciting new information about such areas as learning and cognition, language, and even parenting. In addition, it is now likely that behavioral approaches to Sudden Infant Death Syndrome (SIDS) may provide new insights into this killer of 8,000 babies each year.

Normative research. NICHD also supports normative research on children. This is particularly important among ethnic minority children, since all too often, our knowledge of ethnic minorities is the result of studies of poverty, crime, disadvantaged education, or other aspects of decidedly non-normal development. There is a clear need for research that focuses on the normal development of ethnic minorities.

Child maltreatment. Special recognition should be given to the high quality behavioral work being done by the intramural laboratory of NICHD. We strongly urge the Committee to commend this work, and to encourage its development in new areas, particularly in the direction of the effects of child maltreatment.

## National Institute on Aging (NIA)

As the proportion of the U.S. population age 65 and over continues to grow, NIA's research mission becomes increasingly important in understanding and developing the means to deal with both individual and social aspects of aging. NIA supports research on the effects of behavioral and social factors in the aging process, and in particular, the role of these factors in prolonging the healthy and productive lives of older people.

Particularly impressive is research demonstrating the significance of psychological, behavioral and social factors in delaying morbidity and mortality in old age. For example, the well-known Alameda County Study shows that older people who smoke, are physically inactive, or have poor dietary practices are at higher risk for death than those who do not engage in these behaviors. Even in their advanced years, people can increase longevity significantly by improving their self-care practices. Although the modification of lifetime habits may be thought to be especially difficult, NIA-supported research has shown that older people can successfully modify their health practices using behavioral and social interventions.

Despite such contributions to the understanding and treatment of age-related conditions, NIA's Behavioral and Social Science Research program continues to experience unacceptably low funding rates. In certain funding cycles of FY 90, only the 6th-7th percentile of approved grants were funded. Therefore, we urge the Committee to provide an additional $20 million to fund research that promotes our understanding of aging, health and behavior; and on disease diagnosis, treatment and prevention as well as health promotion. Specific areas of inquiry should include: how older Americans and their families perceive and cope with life stresses, chronic conditions, and disabilities; strategies for promoting health-maintaining behaviors such as self-care or awareness of injury hazards; how sense of personal control and social support improve health and effective functioning; the special social circumstances of older rural Americans that affect health attitudes and behaviors and access to quality care; male/female differences in health behaviors and lifestyles that influence longevity and well-being; health attitudes and behaviors of special populations such as African-American, Asian, Hispanic, Native Hawaiian, and Native American older people; the oldest-old; and retarded or developmentally disabled adults.

Additional areas of research. In addition to studying the relationship between health and behavior, NIA funds research on the cognitive and intellectual functions in aging, focusing on memory, perception, and psychomotor skills. However, we are concerned that current assessment techniques in these areas are developed from studying the general, younger population and therefore do not detect the important functional changes that older people may or may not experience. It is critical that NIA support the development of assessment techniques in older adults. These assessments will yield information that has important implications for employment and training of the older citizen as well as for the effective functioning of older Americans in everyday life.

Another important area for older people is memory research. We know that there are different kinds of memory: retrospective memory is what we use when we recall what we had for breakfast this morning; prospective memory is what is used to remember how to tie our shoes, or to take a pill at prescribed intervals. Research is needed in the latter area in order to develop techniques for ensuring that older people comply with drug regimens and more independently manage other aspects of their health care and living.

Finally, we wish to support NIA's Alzheimer's Disease research, and to suggest an expansion in NIA's investigations of the burden of care faced by the families of Alzheimer's victims. APS urges this Committee to provide additional funds for behavioral and social science research on Alzheimer's Disease.

### National Heart, Lung and Blood Institute (NHLBI)

Nowhere is the relationship between health and behavior more clear than in coronary, lung, and blood diseases. Members of this Committee may have seen the April 4th front-page Washington Post article on the large-scale MRFIT (Multiple Risk Factor Intervention Trial) study which documents the effectiveness of behavioral changes in lowering the risk of heart disease or heart attacks. The behaviors addressed were smoking and diet, and there was medical treatment for high blood pressure.

Other studies, including some which have received support from NHLBI, have shown that changes in diet combined with stress management techniques can result in a reversal of atherosclerosis.

We feel that the NHLBI research portfolio should reflect a balance of basic science and more applied research. A number of non-NHLBI studies have documented the influence of lifestyle factors in achieving positive health results. Given the proven connections, we believe it is the Institute's responsibility to accelerate its activities in this area. Therefore, we request that this Committee ask the NHLBI to report on its activities in health and behavior, and provide a plan for expanding its research portfolio on such topics as the health and behavior in workplace, and evaluation of service programs.

Thank you for the opportunity to provide this statement. We would be pleased to provide additional information to assist you in your deliberations on these important health research funding issues.

National Council on Alcoholism
and Drug Dependence Inc

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# Statement

# of the

# National Council on Alcoholism and Drug Dependence

# before the

# House Subcommittee on Labor-HHS-Education Appropriations

# on Appropriations for Fiscal Year 1991 for Federal Alcohol and Drug Problems

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The National Council on Alcoholism and Drug Dependence is the nation's oldest nonprofit health organization devoted to combating alcoholism, other drug addictions and related problems.

NCADD is vitally interested in the role the federal government plays in the research and prevention of alcohol related problems. We are also interested in maintaining the federal government's focus in these areas. NIDA and NIAAA are important components of the nation's commitment to reduce the toll of alcohol and other drug problems. The Alcohol, Drug Abuse and Mental Health Services (ADMS) block grant, the Office of Substance Abuse Prevention (OSAP) and the NIAAA Homeless Demonstration Projects funded under the Stewart B. McKinney Homeless Assistance Act are other key ingredients in our research, prevention and treatment efforts.

## NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

Despite the $120 billion annual cost to society, research into alcohol related problems has been minimal when compared to efforts put into federal research of other illnesses. In 1987, an estimated 105,095 Americans died from alcohol related cases--4.9% of the total national morbidity. Alcohol is also linked with nearly half of all assaults, rapes, and spouse and child abuse, and can cause liver cirrhosis, cancer and birth defects. We can not even begin to estimate the damage that is done by alcohol in terms of families that are torn apart and jobs that are lost.

NCADD encourages the Subcommittee to appropriate $189.7 million for NIAAA's research budget. This would allow for much needed new and continued research. This funding level will allow for the funding of 225 new and competing grants. At this funding level, we can ensure that important initiatives in the areas of prevention, genetics and treatment outcome research will receive adequate national attention. This will pave the way for major advances in our efforts to prevent, identify and treat alcoholism and related problems.

NCADD advocates $12.2 million for NIAAA AIDS related research. This research would focus on the relationship between alcohol use and high risk behavior and the role of problem drinking in spreading HIV infection. In addition, we support an appropriation of $6.2 million research training and $13.3 million in research management and program support.

We also strongly urge a $17.1 million appropriation for the homeless demonstration program housed in NIAAA. Vital demonstration programs which evaluate novel and comprehensive programs to homeless alcoholics, drug addicts and their families are currently underway in a number of communities across the country. We must sustain these programs and create funds for additional ones. Alcoholism and other drug addictions play an integral role in homelessness in America and the faces of the homeless have become more diverse over the last decade. It is imperative that funding be available for research and services to homeless women and their children, ethnic and racial minorities and those homeless persons who suffer from mental illness.

## National Institute on Drug Abuse

NCADD supports an appropriation of $332.2 million for research for NIDA. This funding level will allow for 328 new and competing grants. We also strongly advocate for adequate funding of NIDA's demonstration program at $133.5 million. This program funds treatment demonstrations for a number of critically under served populations. We can acquire enormous knowledge about treatment approaches while simultaneously providing desperately needed services to individuals in need.

## OFFICE FOR SUBSTANCE ABUSE PREVENTION

NCADD applauds the Office for Substance Abuse Prevention for its strong federal leadership in support of the prevention of alcohol and other drug problems. We are especially pleased with OSAP initiatives to increase resources to serve pregnant and post-partum women and their children; to target ethnic and racial minority youth; and to mobilize community-based prevention efforts. These efforts all show great promise and merit with continued and expanded federal support.

NCADD calls for a funding level of $283.5 million for OSAP demonstration programs, with a minimum of $50 million to be devoted to the program for pregnant and post-partum women and their infants. In addition, we support a funding level of $35.1 million for OSAP clinical training efforts and $20 million for prevention management and support.

## ALCOHOL, DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANTS

NCADD requests an appropriations level of at least $1.6 billion for the ADMS block grant. Our inability as a nation to provide treatment to all Americans who seek recovery from alcoholism and other drug addiction undermines the credibility of the national war on drugs. Waiting lists for treatment remain common and must be reduced.

In addition, we must increase federal regulation of the ten percent set-aside of the block grant now earmarked for prevention and treatment services for alcoholic and drug dependent women.

Despite the presence of a federal requirement since 1984 that a portion of federal funds be devoted to women, the states' commitment to creating and expanding programs for women has been minimal. The proof of this minimal commitment has become markedly clear in light of numerous reports documenting the virtual absence of treatment programs which serve women and their children, generally, and pregnant women, specifically. Presumably, if states had complied with the spirit and the letter of federal law since 1984, we would not be currently experiencing the crisis in care for pregnant women and women with young children. Congress specifically identified the need for programs to serve these two populations of women in the 1984 legislation, and reiterated those priorities in 1986 and 1988. Strengthening the language accompanying the set-aside is urgently needed if the needs of alcoholic and other drug dependent women and their children are to be met.

We propose that the Committee direct states to distribute women's set-aside funds through a centralized grant announcement process at the state level. Such a process will greatly facilitate the creation of tangible new and expanded services for women and their children and provide for greater state accountability to ADAMHA regarding the use of those federal funds.

The National Council on Alcoholism and Drug Dependence has been an historical leader in advocating for programs which respond to the special needs of women who are alcoholic and drug dependent. Last year, NCADD created a national Coalition on Alcohol and Drug Dependent Women and Their Children. This coalition is comprised of a group of national organizations concerned about the health and welfare of alcohol and drug dependent women and their families. Coalition members include organizations concerned about women's health care, legal issues, civil rights, child care alcohol and other drug problems, maternal and child health preventive and education services, prenatal care, and alcoholism and drug addiction treatment for women.

Over the last year, reports have proliferated about prosecutions of pregnant drug addicts and disputed the scarcity of treatment resources for them and their children. As the Committee deliberates about ADAMHA appropriations as well as those of other programs within the Department of Health and Human Services and Department of Education which might provide critical services for alcoholic and other drug dependent women and their children, we hope that you will ensure that adequate funding is available to help these families lead healthy and productive lives.

From our perspective, federal leadership and support for research, prevention, education and treatment is the heart and soul of an aggressive plan to reduce alcohol and other drug problems in the nation. Too often, these initiatives lumped under the rubric of demand reduction have taken a backseat in both financial support and rhetoric to drug enforcement and interdiction. Let us not lose sight of the primary public health and social dimensions of alcoholism and other drug addictions.

# TESTIMONY OF

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FOR THE COMMITTEE
ON APPROPRIATIONS

SUBCOMMITTEE ON LABOR-HHS-EDUCATION APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

FY 1991 APPROPRIATIONS FOR THE
NATIONAL INSTITUTE FOR DENTAL RESEARCH AND
THE NATIONAL INSTITUTE FOR ARTHRITIS, MUSCULOSKELETAL,
AND SKIN DISEASES

APRIL 20, 1990

Who will live? Who will die? Who will be given a chance for a normal life style and who will be forever physically and emotionally trapped much like real life "phantoms of the opera"? These are difficult questions but answers can be found if the Congress is willing to take appropriate action.

It is my pleasure to present this testimony on behalf of a very special patient population, that being those affected by an ectodermal dysplasia (ED) syndrome. ED, a group of over 130 genetic disorders, occurs in about one in every fifteen thousand births which places it among the orphan diseases. By definition the EDs are birth defects which involve abnormalities in at least two derivatives of the ectoderm (skin). Typically these include; absent or poorly functioning sweat glands; sparse hair follicles; abnormal finger and toe nails; and multiply missing teeth. Additionally other defects may be associated with the syndromes including missing limbs, mental retardation, clefting in the lip or palate, hearing and sight deficits, and malfunctioning sebaceous glands and mucous membranes.

Virtually nothing is known about the cause or causes of this group of birth defects and clinical care is often haphazard, predicated on guess rather than knowledge.

Ectodermal dysplasia is responsible for great inconveniences in the lives of those who are affected as well as for their families. The absence of sweat glands causes those affected to have little control over their body temperature. Physical activity and warm temperatures can be responsible for sudden, high fevers which negatively affect body function. In most cases an air conditioned environment is an absolute necessity at home, at school, and at work. The facial characteristics, lack of hair, and fang-like teeth are often the cause for teasing, staring, and incorrect assumptions as to the patient's mental capabilities. Emotional and financial distress, caused by the disorder and the expense of ongoing treatment, provide added concerns for our families. Everyone involved with the patient can expect to make alterations in their life style in order to accomodate the needs of the ED patient.

While families can and do accept the life altering effects of ED it is far more difficult to accept the lack of understanding of the disorder by those who provide care. Frequently obtaining an accurate diagnosis is incredibly difficult. ED babies have been put under heat lamps to try to make them sweat, a grave mistake. The potential damage from such a procedure is mind boggling. Others, well into their adult years, are still searching for someone who can tell them something about the strange set of symptoms which affect them. Once a diagnosis has been made, treatment can be the day's best guess rather than a thought out treatment plan. Physicians and dentists are often unsure of what to do and poor care choices result. Worst of all nearly 30% of the babies born with hypohidrotic ectodermal dysplasia, the most common form of ED, die in their infancy. This is a disease group about which precious little is known and for which even less is being done.

Among patient treatment needs are; improvements in clinical diagnosis, satisfactory solutions for recurring infections, appropriate dental care and reconstructive procedures, as well as answers for problems in the areas of dermatology, ophthalmology, and otolaryngology. Though the EDs are well recognized as dermatologic defects, little is known about the basic skin defect responsible. It is obvious that both basic science and clinical research is needed in order to give these patients a chance to live more normally.

What then should be done? The continued commitment by the Congress to our National Institutes of Health is commendable. However, that commitment must be assigned a high priority not only in our minds but in our pocketbooks. I urge the members of Congress to affirm quality health care as basic to the rights of all citizens by monetarily supporting the need for expanded health research throughout the National Institutes of Health.

Small organizations which represent orphan diseases will never be able to raise the funds necessary to support the costs of research. For example, our organization provides limited funding for a genetic study underway at the University of Oregon which is well on its way to localizing the gene for x-linked hypohidrotic ectodermal dysplasia. Such information will allow for carrier identification, the diagnosis of newborns, and family planning based on knowledge rather than guess. Our excitement for the propects of this project is great, however, the reality is that the project is in danger of extinction due to a lack of funding.

While that news is disappointing there is a bit of good news to share. Clinical research, currently underway at the National Institute for Dental Research, may be the singular most important study regarding dental implants in the world. This unbiased, objective project is the first to assess the safety and efficacy of implants in individuals as young as aged 12. The results of the project will be of great importance not only to those affected by ED but to anyone who looses permanent teeth prematurely. My own son will soon become a participant in the study, an opportunity for which we are most grateful. Although much good will be gleaned from the implant study far more must be done.

It is totally unacceptable for a nation that spends in excess of $500 billion per year for health care to allot only 3% of that amount towards finding cures or preventatives. Unsolved medical questions remain just that....unsolved. The costs incurred continue day after day, year after year, with no end in sight. However, cures and preventatives bring to an end unnecessary costs and the ongoing cycle of repeated inappropriate or ineffective care.

The only acceptable answer to the problem is an increase in the number of grants funded by the National Institutes of Health. Not only is the current 1 out of 5 funding rate for approved projects unacceptable, it may well lead to an even more frightening situation, that of bright minds choosing careers other than medical research. It is my firm belief that we are indeed at a crossroad where we either choose a commitment to research and the health of the American public or we accept mediocrity both in the scope of research being conducted and those doing the research. To choose anything other than quality research and researchers would be foolhardy.

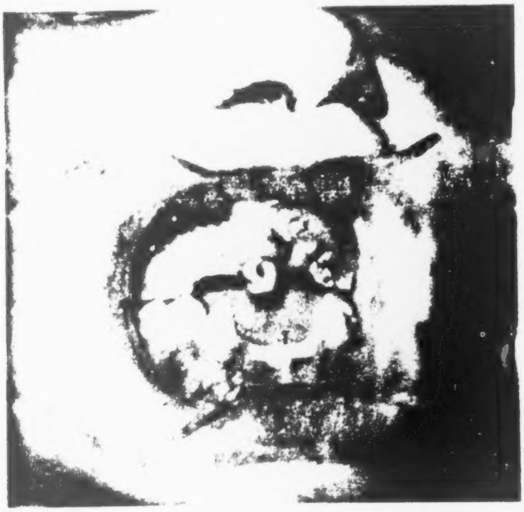
It is at this point in time that I wish to encourage the Congress to fund the National Institute for Dental Research at a level of $210 million dollars. Such a level of funding, while still not fully addressing the needs, will allow for a more suitable award rate and will serve to encourage young scientists to persue research as not only a challenging profession but one which will also allow for a reasonable standard of living. Surely great minds are as deserving of our financial commitment as are great athletes. The folks at NIDR have a huge research mission to fulfill. Currently their areas of concern include; oral cancer, AIDS, periodontal diseases, craniofacial birth defects (including cleft lip and palate), diseases with oral soft tissue ramifications, chronic pain, restorative materials, dental implants, dental care for the aged, and caries. As the scope of the Institute broadens it can not be expected to address research needs with an ever dwindling capability to provide research funding. No one in their right mind would bake a pie to serve six and then invite twelve people for dinner. Similarly we can not expect this Institute to solve more and more problems without sufficient resources. NIDR, through its excellent record of research success, has proven the ability to solve crucial health questions. Now we must followup with our full financial support.

Also of great interest to those affected by the ectodermal dysplasias is the National Institute for Arthritis, Musculoskeletal, and Skin Diseases. NIAMS has been gravely hampered by a funding level which only allows for 17% of approved research grants to be funded. Imagine, 83% of approved projects never see a single dollar. This is of particular interest to the families we serve as there is currently not a single project at NIAMS devoted to finding answers to ectodermal dysplasia problems. There is no hope for stimulation of non-functioning sweat glands, no promise for hair growth, no solutions for incredible skin problems, and no federally funded efforts to identify those individuals at risk for passing on the defective gene or to identify those babies who are affected at the time of birth. The future for those affected by ED is bleak. While it is true that money alone will not solve all of their problems it is the only cure for the absence of research.

I am pleased to join other non-profit skin disorder groups in urging the Congress to add $50 million to the 1991 NIAMS budget. Such an increase will not only allow for funding for a greater number of research projects but will also encourage those involved with research to continue their efforts. We are depending on today's bright minds to find solutions to our problems, they must have confidence that their efforts will be supported. A giant step forward will be taken if the Congress heeds our request for increased funding for NIAMS and NIDR.

Our National Institutes of Health are a true gem. It is unfortunate that the American public has so little knowledge of the exciting work being done there. My visits to NIH always leave me with great respect for all who are a part of this phenomenal governmental agency. You'll not find parking lots filled with exotic vehicles, nor employees dressed in glamorous clothing. Conversations are not of how to obtain pay raises or of aggravation with lengthy work days. Rather one hears real concern for the future of biomedical research or ideas on how to stretch every dollar so that every possible grant can be funded. What we have is an incredible group of people with an unswerving commitment to research excellence. One can only wonder how effective all government facilities might be if similar loyalty was given by all employees. NIH, the National Institute for Dental Research, and the National Institute for Arthritis, Musculoskeletal, and Skin Diseases have earned not only our respect, but they are most deserving of our support. I urge you to fund NIDR at a level of $210 and an increase of $50 million in the NIAMS budget thereby insuring not only a bright research future but by also bringing hope to millions of Americans waiting for cures and treatments.

DENTAL EFFECTS OF ECTODERMAL DYSPLASIA



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# ECTODERMAL DYSPLASIA FACT SHEET

## WHAT IS ECTODERMAL DYSPLASIA?

The ectodermal dysplasias are a complex group of genetic disorders which are identified by the absence or deficient function of a least two derivatives of the ectoderm. At least 120 differing forms of ED have been identified.

## HOW ARE PERSONS AFFECTED BY ED?

Those who are affected by ED will have two or more of the following symptoms; sparse hair, eyelashes and brows; malformed fingernails; multiply missing teeth; an absence of sweat pores; deficient tears and saliva; poorly funtioning mucous membranes; frequent upper respiratory infections; hearing or sight deficits; missing fingers or toes ; clefting of the lip or palate; problems with the immune system; and other abnormalities of the ectoderm. 30% of those affected by hypohidrotic ectodermal dysplasia are not expected to survive their infancy.

## HOW DO THESE EFFECTS HAMPER THEIR LIVES?

Most people affected by ED have no ability to perspire. This complication is responsible for high fevers which may cause significant brain damage or death. Air conditioning in the home, school, and work place is a necessity. Dental treatment is ongoing beginning with dentures as early as age two. Precautions must be taken to limit upper respiratory infections and care must be provided for the skin to prevent cracking, bleeding, and infections. Professional care may minimize the effects of sight or hearing deficits and cosmetic and/or surgical procedures may lessen facial deformities thus reducing physical disfigurement.

## HOW MANY PEOPLE ARE AFFECTED BY ED?

We simple don't know. We do know, however, that many more people are affected by ED than was ever thought possible. The number may be as many as 1 in 15,000.

## WHAT CAN BE DONE TO HELP THESE INDIVIDUALS?

Currently these is no disease specific research being conducted on ED. In addition to our need for basic science research there is a great need for the development of a diagnostic protocol which might aid in earlier diagnosis of the disorders. Research to identify those who carry the gene responsible for ED is also necessary. Of greatest help to those affected would be treatment and research centers which would provide up to date information and therapies thus eliminating much of the frustration and inadequate care currently experienced by those affected.

"We Can't Smile Without You"

WRITTEN TESTIMONY
SUBMITTED
TO THE
HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
LABOR, HEALTH AND HUMAN SERVICES, EDUCATION
THE HONORABLE WILLIAM NATCHER, CHAIRMAN

BY
JEWELL DEENE ELLIS
AMERICAN HOME ECONOMICS ASSOCIATION
AND
COALITION FOR VOCATIONAL HOME ECONOMICS EDUCATION
RAYBURN HOUSE OFFICE BUILDING
APRIL 30, 1990

Mr. Chairman and Members of the Subcommittee:

I am Jewell Deene Ellis, Chair of the Vocational Home Economics Education Coalition and director of Home Economics Education for the Kentucky Department of Education.

I appreciate the opportunity to discuss funding for Vocational Education and specifically Consumer and Homemaking Education. Today, I am representing the Coalition for Vocational Home Economics Education which has a combined membership from the American Home Economics Association, the American Vocational Association and the Home Economics Education Association.

Historically, funding to support Vocational Education and Consumer and Homemaking Education has been tied to economic, social and educational priorities of the Nation. Today is no different. Vocational Education, including Consumer and Homemaking Education has a critical role to play in building a world class work force. In his remarks on September 11, 1989 at the American Success Awards Ceremony for Vocational Technical Education, President Bush said that building a world class work force must be a national priority and that improving America's capacity to educate and train workers is critical to the future of this country.

With the reauthorization of the Carl D. Perkins Vocational Education Act Congress has reaffirmed that Federal funding can make a difference. The willingness to target Federal dollars for Vocational Education, including Consumer and Homemaking Education enables states to provide adequate educational programs and services for students.

On behalf of the 45,000 teachers and 3.9 million students served in Consumer and Homemaking programs across the country, the Coalition supports funding of Consumer and Homemaking programs for FY 1991 at $40,000,000, the level authorized in H.R. 7.

Under H.R. 7 and S. 1109, the bills reauthorizing Vocational Education, Consumer and Homemaking continues to be a separate authorized initiative. This means that each year justification for the program is presented to the Appropriation Committees of the Congress. This plan makes Consumer and Homemaking programs more accountable, not only to the public but to the Congress. Through this process states have to continually focus on the purposes and intent of the law as reauthorized.

Both the House and Senate reauthorization bills direct Consumer and Homemaking Education to further emphasize services addressing a number of national priorities and emerging concerns. A summary of these national priorities and emerging concerns is as follows:

- Early childhood development is of critical importance in preparing tomorrow's workforce.
- Consumer and Homemaking is a critical partner in teaching parenting skills to youth of both sexes and communicating methods of balancing work and family in a society with an expanding base of single parent families and households where both parents must work.
- Consumer and Homemaking Education can do much to address the problems of family violence, child abuse, teen pregnancy and to promote individual and family health and child nutrition and wellness.

- Consumer and Homemaking Education is envisioned as contributing vital training for future workers in the growing technologies of child care, care for at risk populations including the homeless, and care for aging populations.
- Authorized funds for leadership development can be used for full-time administrators, qualified by both experience and educational preparation in Home Economics to develop state-wide wide curriculum and programs.
- The role of Consumer and Homemaking Education is strengthened in promoting the elimination of sex bias and stereotyping in the workplace by providing for new cooperation between educators and the Sex Equity Coordinators in each state.

It is the view of the Coalition that the legislation for Consumer and Homemaking Education as reauthorized is on target and provides options for meeting the needs of individuals and families. As in previous laws on Vocational Education, the language in the reauthorization bills has far greater potential for carrying out programs, services and activities than the proposed level of funding.

In anticipation of the changes for Consumer and Homemaking Education in the reauthorization process many states already have programs and services in place. Examples of some programs tell the story.

## EARLY CHILDHOOD DEVELOPMENT

- In Kentucky, in school day care programs for children of students make it possible for school age parents to get back into the classroom. The in-school day care allows student parents to spend their time concentrating on their studies. Students with children in the day care center are required to take parenthood education and child development courses. That, coupled with their work in the day care center gives them "hands on" experience in dealing with children. These programs are conducted in cooperation with the Sex Equity Coordinator.

- In Utah, an exemplary on site Child Care Development Center program developed as a partnership between Consumer and Homemaking and Occupational Home Economics provides experience and training for students in child growth and development. Located in the high school, the program serves the children of district employees.

## PARENTING SKILLS

- In Ohio, the GRADS program is extraordinarily successful in providing parenting skills and retaining pregnant and parenting teens through graduation. In addition, adult programs provide parenting education for families at risk, displaced homemakers and single parents.
- In Vermont, Home Economics Resource Materials Centers provide up-to-date information on family living and parenting. Materials are loaned free of charge statewide.
- In Washington, programs in Vocational Technical Institutes provide "hands on" parenting classes for persons identified as being "at risk" in their parenting skills. One program provides weekly classes for families who are child abusers or potential child abusers. Another program is for pregnant and/or parenting teens. The third program enrolls low income families in parent cooperative nursery schools.

## FAMILY VIOLENCE

- In Kentucky a newly revised curriculum on the Prevention of Family Violence is being used this year by Consumer and Homemaking Teachers across the state. Topics include child abuse, spouse abuse, rape, dating violence and abuse of the elderly.
- In South Carolina, high school home economics students are taught to be peer educators and to provide information and services to teens in the areas of spouse abuse and family violence as well as substance abuse prevention and drop out prevention.

## TEEN PREGNANCY

- In Iowa, Adolescent Pregnancy Prevention classes and workshops are conducted in community colleges on such topics as responsible behavior with regard to sexual activity, sexually transmitted diseases, relationships and peer pressure.
- Among the states with outstanding programs addressing teen pregnancy are Massachusetts, Connecticut and New Jersey.

## BALANCING FAMILY AND WORK

- In Minnesota, seminars provide education to employees in the private and public sector. Persons learn skills and gain insights which help them balance work, personal and family lifestyles. The seminars are offered at the work site or in the community.
- In Kansas, through education and business partnerships employees develop skills to more effectively balance work and family life. Seminars are customized to the needs of the individual, business or

industry and help reduce anxiety about parenting, family and personal issues that can drain energy from productive work activities.

## CARE FOR AT RISK POPULATIONS INCLUDING THE HOMELESS AND AGING

- In Maryland, an intergenerational program entitled "Closing the Gap" involves high school students and senior citizens in a variety of activities. Senior citizens attend class and share experiences with students.
- In Kentucky, chapters of the vocational student organization, Future Homemakers of America conduct impact projects to assist the homeless. One chapter adopted a single parent family and provided for their needs during the year. Money collected was given to the mother to purchase Christmas gifts, clothing and school supplies. Birthday parties were held for the children.

## DEVELOPMENT OF STATEWIDE CURRICULUM AND PROGRAMS

Many states have developed and revised curriculum materials within the last three years while other states have plans to update curricular offerings. Some of the more recently developed curriculum materials are in the areas of parenthood education, family violence, child abuse, resource management, consumer education, child development and nutrition. Twenty states have developed curriculum related to balancing work and family. Other examples of new curriculum include Instruction for First Time Mothers - At Risk Families, developed in Kansas; Teen and Elderly - Leading and Learning, developed in Arkansas; and Nutritional Science developed in California and Oregon.

## ELIMINATION OF SEX BIAS AND STEREOTYPING IN THE WORKPLACE BY COOPERATION WITH THE SEX EQUITY COORDINATOR

- Consumer and Homemaking teachers continue to work hard to reduce and eliminate sex bias and stereotyping. They have attended workshops and seminars conducted by the Sex Equity Coordinator. Seminars were designed to raise awareness of the problem and to develop strategies for classroom use.
- The increase in the number of male students who enroll in Consumer and Homemaking classes each year is indicative of the work done to reduce sex stereotyping. In the 1988-89 school year, 38% of the total enrollment was male. In Connecticut, the percentage of males in middle schools ranged from 32-50%. In Mississippi, male enrollment was 30% and in Idaho was 33%.
- Male membership in the vocational student organization is currently 14%. Since 1984, male membership has increased 1% each year. During 1989-90 school year 15% of the national officers are male.

In is significant that many of the national priorities and emerging concerns for Consumer and Homemaking Education as addressed in reauthorization also appear in objectives for the national goals for education. Under goal 1, which states by the year 2000, all children in America will start school ready to learn, one objective indicates the need for parents to have access to training and support. Other objectives cite the need for instruction in child nutrition and wellness.

Goal 3 on student achievement and citizenship which discusses preparation for productive employment in our modern economy has implications for instruction in balancing work and family. Application of academic skills such as mathematics and science ensures the quality of Consumer and Homemaking programs and assists students to meet Goal 4 related to achievement in mathematics and science.

## SUMMARY

The reauthorization of the Carl D. Perkins Law provides for the continuation of Consumer and Homemaking Education, a unique part of Vocational Education that addresses the interrelatedness of the home, family and work place. Programs will prepare both males and females to assume multiple roles of wage earners and parents in today's society. Programs will be targeted to special populations, the underserved and the male student. Coordination and cooperation with other agencies, especially in economically depressed areas will enable students to receive additional services.

Because Consumer and Homemaking Education contributes so significantly to national priorities and emerging concerns it is important that line item funding for programs be $40,000,000. The Coalition commends you and your committee for your support. We appreciate the opportunity to express our views.

The Paget's Disease Foundation, Inc.
In Affiliation with the American Society for Bone and Mineral Research

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Statement of the

Paget's Disease Foundation, Inc.

Presented to

U.S. House of Representatives Subcommittee

on Labor-HHS-Education and Related Agencies

April, 1990

*165 Cadman Plaza East, Brooklyn, New York 11201 (718) 596-1043 • Fax (718) 802-1039*

The Paget's Disease Foundation is pleased once again to have the opportunity to present testimony to the Subcommittee. Musculoskeletal diseases such as Paget's Disease are the leading cause of disability in the USA. It is very important to be aware of the fact that Paget's disease is becoming increasingly prevalent in the elderly, the most rapidly growing segment of our society.

Paget's disease of bone, the second most prevalent bone disease after osteoporosis, is a chronic disease that is characterized by excessive resorption or breakdown of bone and increased formation of bone. The disease is rare in people under the age of 40 but occurs in 1 to 3 percent of persons over age 65.

The abnormal increase in bone remodeling results in bone that is dense but fragile and may lead to striking skeletal deformities such as a markedly enlarged skull and bowing of the legs. In severe cases, Paget's disease can cause loss of hearing, neurological problems, severe pain and crippling.

The cause of Paget's disease is unknown. Recent studies indicate that the disease may be caused by a "slow virus", a virus that lies dormant for many years before symptoms appear. The virus appears to invade the bone cells that cause resorption or breakdown, activates them and causes them to markedly proliferate.

There is much interest in the factors that cause local bone remodeling in normal and disease states including growth factors, hormones and cytokines. Understanding how and why skeletal remodeling takes place and why it is greatly enhanced in Paget's disease would provide important new information that could shed light on other bone diseases including osteoporosis.

Considerable research in the bone and mineral field is funded by the National Institute of Arthritis and Musculoskeletal and Skin Diseases. However, research programs in that institute are under severe constraints because of inadequate funding. Since its inception in 1987, the budget of NIAMS has grown only 2 percent annually in constant dollars. The institute can fund only some 15 percent of approved grants, and the payline continues to be the lowest of any of the institutes of the National Institutes of Health. For those individuals who suffer from bone, joint and skin disorders, THIS IS NOT GOOD NEWS. The lack of adequate resources is discouraging talented young investigators from considering careers in research devoted to discovering the causes, treatment and prevention of musculoskeletal, joint and skin diseases.

Because of the inadequate funding of NIAMS and to begin to achieve parity with the other institutes, we strongly endorse the proposal to increase funding for this institute by $50 million over the President's recommended budget to $226,000,000 beginning in FY 1991. Without adequate dollars for research, the pain and disability as well as the economic cost related to musculoskeletal diseases will not be lessened.

If we as a nation do not take care of the health needs of our population now, the problem will worsen because of the increasing aged in our society. Adequate commitment to medical research now will reduce the costs of health care in the future.

The Paget's Disease Foundation appreciates the many opportunities that have been and continue to be provided by the research and educational programs of NIAMS and particularly the role of the Congress in providing the means for these programs. We also acknowledge the assistance of NIAMS in providing workshops and conferences to disseminate information about the pathogenesis, epidemiology and treatment of bone disease.

Again, we strongly urge increased funding for the NIAMS to assist the many patients who suffer from Paget's disease and other bone diseases.

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**American Heart Association**

Office of
Public Affairs

*Dedicated to the reduction of disability and death from cardiovascular diseases and stroke.*

# AMERICAN HEART ASSOCIATION

## Statement on

## FY 1991 Appropriations for the

## Office of Disease Prevention and Health Promotion (ODPHP)

## and the

## Centers for Disease Control (CDC)

## Submitted to the

## House Labor-HHS-Education Appropriations Subcommittee

## The Honorable William Natcher, Chairman

## April 27, 1990

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### Summary of Recommendations:

**ODPHP--$5.560 million**
**CDC--**
**Chronic and Environmental Disease Prevention**
**$193 million**
**Preventive Health and Health Services Block Grant**
**$149 million**

The American Heart Association (AHA) is dedicated to the reduction of disability and death from cardiovascular diseases and stroke. Coronary heart disease, stroke, and related diseases account for almost as many deaths as all other causes combined. Annually these diseases are responsible for about one million deaths in the United States. More than one in four Americans suffer from some form of these diseases. In 1990, the cost of cardiovascular disease is estimated to be $94.5 billion in medical expenses and lost productivity.

The AHA research, public and professional education and community service programs emphasize the prevention of cardiovascular diseases. Therefore, the goals of the Office of Disease Prevention and Health Promotion (ODPHP) and of the Centers for Disease Control (CDC) are of primary importance to the AHA. Many of the AHA programs complement those of both the ODPHP and the CDC. For example, the AHA's Heart At Work program increases employee awareness and knowledge of cardiovascular disease risk factors and encourages behavior change that will lead to risk reduction. The AHA's Heart Treasure Chest program educates elementary school children about the cardiovascular system. Our Heart Rx program assists health professionals in counseling their patients about prudent life-styles that can lead to improved cardiovascular health. It includes booklets, pamphlets, posters and other materials that provide heart healthy advice about smoking, high blood pressure, nutrition, and the early warning signs of heart attack and stroke. The AHA's Physicians' Cholesterol Education Program assists doctors in counseling patients on controlling blood cholesterol levels.

The respective disease prevention and health promotion activities of the AHA, the ODPHP, and the CDC are aimed at reducing the overall costs of cardiovascular disease. The AHA is pleased to provide you with our comments and FY 1991 funding recommendations for the ODPHP and the CDC.

## OFFICE OF DISEASE PREVENTION AND HEALTH PROMOTION (ODPHP)

The Office of Disease Prevention and Health Promotion is the Federal office responsible for policy oversight and coordination of prevention activities of the agencies of the Department of Health and Human Services (DHHS). In advancing this mission, the ODPHP fosters the development and assimilation of similar activities in the private sector, services a national information center to facilitate access to and exchange of information concerning health promotion and disease prevention, and supports projects, conducts research, and disseminates information about health promotion, preventive medicine, and physical fitness.

In 1979, the first Surgeon General's Report on Health Promotion and Disease Prevention, entitled Healthy People, was issued by the ODPHP. This was the initial Federal document to describe a national commitment to improving the health of this country through disease prevention efforts. It laid the ground work for what has become the cornerstone of the programs of the ODPHP -- implementation of 226 objectives outlined in the 1980 report entitled Promoting Health/Preventing Disease: Objectives for the Nation. The Prevention Policy Staff of the ODPHP is responsible for assessing and reporting on the Nation's progress in attaining the objectives outlined in this report. The ODPHP's 1986 mid-course review showed that much progress has been made in most of the 15 priority areas encompassed in the 226 objectives.

Currently, a central focus of activity at the ODPHP is the coordination of a grassroots effort, involving all 50 states and over 200 national organizations, to develop a set of national health objectives for the year 2000, Healthy People 2000. This revised version of 1979 Healthy People will be issued at a national meeting in September. The ODPHP continues to monitor, track data, and stimulate implementation of programs in support of the 1990 Health Objectives.

Other components within the ODPHP include the Clinical Services Staff, which coordinated the development of the U.S. Preventive Services Task Force's Guide to Clincial Preventive Services, an assessment of the effectiveness of 169 interventions. The Nutrition Staff works to strengthen Department of Health and Human Service's capabilities and national leadership in nutritional research and monitoring, educational services and training, food safety and quality, and international nutrition. The Health Communication Staff operates the ODPHP's National Health Information Center (formerly the National Health Information Clearinghouse), the publication and data management center.

The President's FY 1991 budget recommends $4.461 million for the ODPHP. This mere .47 percent increase above the ODPHP's FY 1990 funding level of $4.440 million does not cover the cost of inflation. Enactment of the President's request would jeopardize the continuation of the following prevention and coordination activities:

- Year 2000 National Health Objectives initiatives, including the continuation of cooperative agreements with national membership organizations to tailor the Objectives for special populations, professions, and settings, technical assistance to state-level Objectives development, creation of implementation programs, coordination of public health and disabilities prevention efforts, and organization of school and children health promotion programs;

- A second Surgeon General's Report on Nutrition and Health, to emphasize the function of dietary fat in chronic diseases, in coordination with the U.S. Department of Agriculture, citing school lunch programs that reflect the report's recommendations;

- Complementary nutrition monitoring surveys of the population, as a whole, with particular emphasis on low income groups;

- Prevention policy initiatives for the HHS Secretary's Council on Health Promotion and Disease Prevention and support for the Secretary's initiative on health promotion for disadvantaged and minority families;

- The National Worksite Health Promotion Resource Center, designed to develop models for health promotion programs, provide leadership in defining and solving work and health related matters, and furnish technical support to employers and employee groups;

- The U.S. Preventive Services Coordinating Committee, consisting of 25 primary care, medical insurance, and related professional associations interested in preventive service in medical care settings; scientific review of new preventive interventions; and computer software to help physicians provide timely clinical preventive services; and

- Market research to enhance communication about health education and behavior change, particularly for hard-to-reach youth, the National Health Information Center, and Healthy Older People program coordination with Association of American Retired People.

An appropriation of $5.560 million for the ODPHP would allow for the continuation of these services and the initiation of four new initiatives which focus on high risk populations, including children and low income groups. These new programs include:

o Healthy Schools, a collaborative venture with the Department of Education's Office of Comprehensive School Health Education, to illustrate how inner city schools can become health-promoting environments for at-risk children;

o National Fitness and Nutrition Public Education Program, to provide information to stimulate dietary and exercise modification among the most hard-to-reach at-risk populations for chronic diseases and related premature death;

o Communication of Health Risks, to educate the public about the safety and dangers of environmental exposures, clinical preventive interventions, and personal behaviors; and

o Healthy Patient Initiative, follow up on the U.S. Preventive Services Task Force's Guide to Clinical Preventive Services, creating and distributing software packages and background for clinical health care providers and developing, testing and disseminating curriculum material for graduate medical education and residency programs.

## CENTERS FOR DISEASE CONTROL (CDC)

The Centers for Disease Control (CDC) is the Federal agency of the U.S. Public Health Service responsible for disease prevention and health promotion. CDC works with state and local health departments, other federal agencies, and voluntary, professional and international organizations in assisting during emergencies and in developing programs to understand the causes of disease and prevent their occurrence. In accomplishing its mission of disease prevention, CDC's programs focus on changing lifestyles and other factors that contribute to disease.

In October 1988, the Centers for Disease Control established a new center committed to fighting chronic diseases. These diseases cause 1.3 million deaths annually and diminish the quality of life for millions of Americans. The new Center for Chronic Disease Prevention and Health Promotion is dedicated to forging a national program to prevent unnecessary death and disability associated with chronic diseases and to promoting healthier lifestyles for all Americans. The AHA applauds the establishment of this new center and the commitment that it represents. We are already collaborating on a number of projects.

Fighting chronic disease effectively means targeting the diseases and the risk factors. Major cardiovascular disease risk factors that result from modifiable lifestyle habits include cigarette smoking, high blood pressure, and elevated blood cholesterol. The CDC has intensified its efforts to combat all these potential killers.

As a result of Congressional support in FY 1990, the CDC has implemented a number of innovative projects and enhanced existing programs. Highlights of some of these activities and accomplishments follow.

- Developed "Smoking and Health: A National Status Report," providing information for each state on the health and economic impact of smoking, current legislative measures to control smoking, and smoking cessation and prevention programs.

Each year over 390,000 Americans die from smoking-related causes. However, CDC's Office on Smoking and Health (OSH), the focal point of the national effort to combat the health effects of tobacco, has had virtually no increase in funding for the last seven years. Appropriations for the OSH rose from $2 million in FY 1966 to $3.5 million in FY 1984; however, it has not increased since then. As a result of the partial sequestration, the OSH's FY 1990 appropriation has dropped to $3.4 million. Calculated in terms of 1966 dollars, the OSH now has half of the purchasing power it did 25 years ago.

The Office on Smoking and Health, which produces the widely respected "Surgeon General's Reports on the Health Consequences of Smoking," must have sufficient funds to effectively protect Americans from the most important preventable cause of death in the United States, cigarette smoking. The American Heart Association recommends an FY 1991 appropriation of $13.5 million for the OSH to combat tobacco use, especially among minorities, women, and youth. The tobacco industry, in recent years, has intensified its pressure on these groups to use its products. A forceful, expanded response to counter this pressure is direly needed.

- Helped 45 states and the District of Columbia track cardiovascular disease risk factors such as smoking, hypertension, sedentary lifestyle, obesity, and elevated blood cholesterol levels. The CDC's Behavioral Risk Factor Surveillance System is the foundation for state prevention programs for chronic diseases. For example, the State of Michigan used data on smoking from this surveillance system to secure State funds for a major health promotion program. With additional resources, all states could benefit from such information.

- Assisted 20 states, the District of Columbia, and Palau establish comprehensive chronic disease control programs, focusing on minority and other medically underserved populations. Established in a South Carolina community a model program, "Heart to Heart," to identify prevention activities that influence people to adopt health behaviors that reduce the risk of cardiovascular disease.

- Administered to states the Preventive Health and Health Services Block Grant, containing authority for the high blood pressure program and more recently for cholesterol screening, detection, referral, and follow-up activities. Because funding for this block grant has not increased since its inception in 1982, states must do more to prevent chronic diseases with continually decreasing resources in terms of real dollars.

- Supported diabetes control programs in 30 states. Annually over 300,000 persons die from the complications of diabetes, with cardiovascular disease the leading cause of death. CDC helps administrators of these programs apply existing knowledge and technological advances to treat and control hypertension and promote smoking cessation, exercise, weight loss, and prudent diet among diabetics. Additional funding would allow CDC to implement fully a long-range plan extending the benefits of these state-based programs to all diabetics.

- Initiated a program, heartily endorsed by the American Heart Association (AHA), to improve the eating habits of students in schools across the country. Guidelines will be written for nutritional education and for the proper components of healthful school lunches. This program actively involves the community and parents in their children's nutrition, both in and outside of school.

The CDC has made major contributions toward educating children about the benefits of a healthy lifestyle. The CDC's two comprehensive school health curricula, Growing Healthy, for elementary school children, and Teenage Health Teaching Modules, for high school students, are the most widely used health education curricula in the country. Such school health educational programs are effective in preventing young people from making unhealthy lifestyle decisions that increase the risk of heart disease and other chronic illnesses. A major nationwide evaluation conducted by the CDC showed that comprehensive health education in schools has resulted in a 37 percent reduction in the number of seventh-grade students who begin to smoke.

The AHA firmly believes that to win the battle against cardiovascular and other chronic diseases, young people must be taught to adopt healthy lifestyles and avoid unhealthy habits that put them at risk for disease. Therefore, children must have the benefit of quality health education at an early age. The CDC has built a strong national program in school health education. However, until FY 1990 most of the resources for this program targeted activities to prevent the spread of AIDS. AIDS education in the context of comprehensive school health education is commendable, but it is equally important to teach methods to maintain health and to prevent cardiovascular diseases and cancer, the chronic diseases Americans are most likely to acquire.

The AHA applauds the Senate Appropriations Committee's FY 1990 appropriations report language "allocating $3.5 million in support of comprehensive school health education." We urge this Subcommittee to provide support for comprehensive school health education by expanding school health programs to promote the complete array of healthy behaviors.

The CDC's past and continuing efforts to fight chronic disease demonstrate the ability to develop effective programs. The AHA recommends an appropriation of $193 million for CDC's Chronic and Environmental Disease Prevention activities of which $111 million is for chronic disease activities, including $13.5 million for the Office of Smoking and Health. This level of funding will strengthen CDC's core program for chronic disease and enable the CDC to help states provide leadership in the prevention of cardiovascular and other chronic diseases.

Hypertension and elevated blood cholesterol levels are leading risk factors for cardiovascular disease. The Health Omnibus Programs Extension Act of 1989, Public Law 100-607, reauthorized the Preventive Health and Health Services Block Grant, which contains authority for the high blood pressure program, and now for cholesterol screening, detection, referral, and follow-up activities. The AHA recommends for the Preventive Health and Health Services Block Grant program, an appropriation of $149 million, including $140 million in grants and $9 million in direct operations, (a $65 million increase over the FY 1990 appropriation).

The AHA urges this Subcommittee to provide sufficient FY 1991 funding for both the ODPHP and the CDC. Important prevention and coordination activities must be enhanced so that the ODPHP, CDC, and the American Heart Association and other organizations involved in preventive health activities can continue to have a downward effect on the mortality and morbidity rates from cardiovascular and other diseases.

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American Heart Association
Office of
Public Affairs

*Dedicated to the reduction of disability and death from cardiovascular diseases and stroke.*

*AMERICAN HEART ASSOCIATION*

**Statement on**

**FY 1991 Appropriations for the**

**National Institute of Neurological Disorders and Stroke (NINDS)**

**and the**

**Division of Research Resources (DRR)**

**Submitted to the**

**House Labor-HHS-Education Appropriations Subcommittee**

**The Honorable William Natcher**
**Chairman**

**April 27, 1990**

**Summary of Recommendations**

**NINDS --$691.421 million**
**DRR -- $411.268 million**

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The American Heart Association (AHA) is a nonprofit, voluntary health organization funded by private contributions. The AHA is dedicated to the reduction of disability and death from cardiovascular diseases and stroke. Founded in 1924 in New York by six cardiologists, the AHA today is one of the world's premier health organizations, with about 1,850 divisions in communities in all 50 states, Washington, D.C. and Puerto Rico. Over 2.7 million volunteers join with the AHA every year to fight cardiovascular diseases and stroke, this nation's number one killer.

Preventing heart disease remains the first priority of the American Heart Association. In support of this goal, since 1949 the AHA has contributed more than $823 million to cardiovascular research. More than 30 percent of AHA yearly revenues are used to sponsor research. In 1989, the AHA invested almost $69 million in research.

In accomplishing our mission, the AHA works in active partnership with related federal research, education, and prevention programs. One of these programs is the National Institute of Neurological Disorders and Stroke (NINDS). The AHA is pleased to provide this Subcommittee with our comments and FY 1991 funding recommendation for the NINDS. Due to the importance of animal research, the AHA has also included in this statement comments and funding recommendation for the National Institutes of Health's (NIH) Division of Research Resources (DRR).

## NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE (NINDS)

Stroke, a cardiovascular disease, affects the arteries of the central nervous system. Stroke occurs when a blood vessel bringing oxygen and nutrients to the brain bursts or is clogged by a blood clot or some other particle. Because of this rupture or blockage, part of the brain does not get the flow of blood it needs. Deprived of oxygen, nerve cells in the affected area of the brain cannot function and die within minutes. When nerve cells cannot function, the part of the body controlled by these cells cannot function either. The devastating effects of stroke are often permanent because dead brain cells are not replaced.

Stroke ranks as the third largest cause of death in America, ranking only behind heart attack and cancer. Each year stroke strikes an estimated 500,000 Americans, killing about 150,000. Stroke survivors now number approximately 2.060 million. However, many of these survivors are left with mental and physical disabilities. In addition to being a major cause of death in the United States, stroke is a major cause of disability. Stroke accounts for about half of all patients hospitalized for acute neurological disease. Also, stroke imposes a tremendous financial burden on society. The AHA estimates that in 1990, stroke-related health care will cost $14.5 billion in medical expenses and lost productivity.

Despite these grim statistics, good news exists. From 1977 to 1988, the age-adjusted death rate from stroke fell by 37.3 percent. The downward trend is directly related to the identification and treatment of the major risk factors for stroke, including high blood pressure, heart disease, cigarette smoking, high red blood cell count, and transient ischemic attack, a temporary stroke-like event caused by a temporarily blocked blood vessel. Many attribute the more effective control of high blood pressure as the key reason for the decline in the age-adjusted death rate from stroke over the past decade.

For the first time, the Federal government cited a causal relationship between cigarette smoking and stroke. The Surgeon General's January 1989 report, Reducing the Health Consequences of Smoking--25 Years of Progress, states that "current evidence indicates that cigarette smoking is a cause of stroke and that smoking cessation reduces the risk of stroke."

Also, progress has been made in stroke diagnosis and treatment. Remarkable advances in modern technology now make it possible to examine how the brain looks, functions, and acquires blood supply. These techniques include positron emission tomography (PET), computerized axial tomographic scan (CT or CAT scan), magnetic resonance imaging scanning (MRI), and radionuclide angiography (nuclear brain scan). They provide vital information to pinpoint, understand, and treat brain damage caused by stroke. Also, new treatment methods have been developed that can be administered immediately after a stroke to minimize its effects.

Although the stroke age-adjusted death rate has declined, some epidemiologists believe that the number of new cases of stroke is again starting to rise. Several factors may attribute to the rising incidence of stroke, including enhanced technology detecting less severe strokes and a growing aging population who has a greater stroke risk than younger people.

The National Institute of Neurological Disorders and Stroke (NINDS) is the Federal focal point for all neurological research, including research on the cause, treatment, and prevention of stroke. The Institute's stroke research program consists of a wide range of studies by both individual researchers in facilities across the country and by teams of scientists in NINDS-supported stroke and positron emission tomography (PET) research centers. Mainly due to the encouragement of the NINDS, stroke has become a key focus of study at many of our nation's outstanding research institutions. The NINDS programs are coordinated with the National Heart, Lung, and Blood Institute's cardiovascular stroke risk factor programs on high blood pressure and atherosclerosis.

The NINDS Stroke and Trauma Division maintains 14 cerebrovascular clinical research centers. These facilities constitute the primary force of the NINDS stroke research program. As a result of studies in these facilities, the disease process of stroke is becoming more clearly defined. In addition to the center approach, NINDS-supported researchers conduct multi-year studies on the stroke population to determine long-term damage and treatment effectiveness. Moreover, animal studies still significantly enhance knowledge about stroke.

Stroke prevention is the main goal of stroke research. Research promotes the objectives of stroke prevention, brain function recovery, and an improved quality of life for stroke victims. Reducing risk factors is the best way to prevent a stroke. Highlights of some recent and proposed NINDS stroke studies, subject to the availability of appropriations, follow.

- A study of risk factors is focusing on the elevation of blood sugar levels as a predictor of stroke. Concentrating on the unique mechanisms that control blood flow in the brain and brain metabolism, these investigators have noted a relationship between increased blood sugar and the development of stroke.

- The function of platelets, elements in the blood that help form blood clots, is being examined in an effort to interpret the process of blood clot formation that can cause stroke. Additional research is focusing on the role of platelets in the formation of atherosclerotic plaque formation.

- Two studies are being conducted in an effort to clarify the disproportionate incidence and death rates from stroke between black and white Americans. Black Americans have a 60 percent higher risk of death and disability from stroke than whites. In an attempt to explain this difference, researchers are examining different aspects of stroke risk factors, including diet, smoking, and high blood pressure.

- Research to restrict brain damage during a stroke is being conducted at multiple sites. The effects of immediately cooling the brain to prevent stroke-related brain damage has shown promise in the laboratory. The study of intercellular molecular damage, caused when oxygen is reintroduced to the brain after stroke, is being examined at another location.

- Clinical studies have revealed the possibility of a wider window of opportunity in treating some stroke victims before permanent brain damage occurs. One technique for restoring blood flow and oxygen to the brain during stroke is the use of t-PA, tissue plasminogen activator. An assessment of the safety and the optimal dose of t-PA for stroke therapy is being evaluated. T-PA will be a subject of a larger clinical trial.

- A major multicenter clinical trial evaluated whether aspirin or warfarin, a drug that can prevent blood clotting, would prevent strokes in victims with atrial fibrillation, a common type of irregular heart beat in older persons, showed that these drugs reduced strokes by 81 percent. Another clinical trial is being planned to evaluate the effectiveness of heparinoid, a derivative of a widely-used anticoagulant, heaprin, in preventing new strokes caused by blood clots.

- Two multicenter trials are assessing the risk and benefits of a widely-used surgical procedure, carotid endarterectomy, for stroke prevention in symptomatic and asymptomatic patients, respectively. Carotid endarterectomy, a surgical procedure which removes the atherosclerotic buildup of plaque from the carotid artery in the neck, used in conjunction with medical treatment, is being compared to medical treatment without surgery.

The President's FY 1991 budget contains $512.212 million for the NINDS. Although this budget reflects a 4.45 percentage increase in funding over the FY 1990 appropriation level, it does not sustain adequate growth. The opportunities for further advances in stroke diagnosis, treatment, and prevention is tremendous. But, the proposed budget would stifle the NINDS' ability to continue and to initiate many promising stroke research programs. The impact of the budget on the Institute, as a whole, follows.

- Only 405 competing research project grants would be funded, compared to 415 in FY 1990 and 493 in FY 1989, at an award rate of 16 percent of approved grants, down from 20 percent in FY 1990 and 34 percent in FY 1989. The projected number of FY 1991 competing grants, 405, assumes a 25 percent reduction in each grant. At a 12 percent reduction, the number of competing research grants would fall to 353.

- Research centers would be held constant. This important mechanism for clinical trials has been held close to level funding for six years.

- Research contracts and individual and institutional training awards would be straightlined.

The NINDS' support for stroke research is a major concern. Beginning in FY 1987, NINDS placed a stronger emphasis on stroke; however, since that time, growth in this area has been much smaller. In FY 1990, funding for stroke research increased by only 3.19 percent over the FY 1989 level. Under the President's FY 1991 budget, resources for stroke research would be increased by 4.60 percent over the FY 1990 level. With the reported resurgence in the number of new cases of stroke, this proposed level of support for stroke research troubles the AHA.

Neuroscience research produces exciting findings and accelerates our ability to treat and even prevent life-threatening and costly diseases such as stroke. While stroke was once considered a hopeless disability, we now stand on the threshold of great discoveries regarding stroke prevention and rehabilitation of stroke victims. The NINDS must receive sufficient funds to maintain research momentum and to initiate programs with the potential to decrease stroke incidence and its debilitating consequences.

Acknowledging neuroscience advances and recognizing the opportunity for further achievements, the Congress passed legislation which the President signed into law, designating the 1990's as the Decade of the Brain. A FY 1991 appropriation of $691.421 million, a 41 percent increase over the FY 1990 funding level, will allow the NINDS to fully implement neuroscience priorities and programs for the first year of the Decade of the Brain, outlined in the former National Advisory Neurological and Communicative Disorders and Stroke Council's congressionally-requested document, Decade of the Brain: Answers Through Scientific Research.

Congress has established a precedent for such increases. During the height of research opportunities in cancer and cardiovascular diseases, Congress provided both the National Cancer Institute (NCI) and the National Heart, Lung, and Blood Institute (NHLBI) with the resources to exploit advances. Between the years of 1971 and 1976, the appropriations for these institutes grew 241 percent and 98 percent, respectively. The corresponding growth for the NINDS, excluding funds for communicative disorders, was 45 percent. The neurosciences is now at the point where cancer and cardiovascular research was twenty years ago. According to the aforementioned report, "our Nation stands on the threshold of enormous opportunities in the neurosciences. The foundation for future advances has been laid, and the potential exists for incalculable reductions in the human and economic tolls exacted by neurological disease and communicative disorders. The immediate and long-range benefits of research cannot be overestimated.

The only question that remains is whether we as a Nation have sufficient foresight and will to exploit these research opportunities." The AHA-supported FY 1991 appropriation for the NINDS will provide the Institute with the resources to "exploit research opportunities" in the neurosciences.

## DIVISION OF RESEARCH RESOURCES (DRR)

The Division of Research Resources (DRR) is the National Institutes of Health's (NIH) focal center of interest for providing resources essential to the extramural institutions for the conduct of biomedical research. The DRR consists of five branches that directly affect NIH-supported biomedical research at facilities throughout this nation. In carrying-out its mission, the DRR develops, sponsors, and administers research resources through multicategorical programs of specialized research facilities and environments.

Because animal research constitutes a crucial component of biomedical research, the AHA is alarmed that the President's request for DRR is 5.33 percent below its FY 1990 appropriation. The AHA's concerns about the budget for two of the DRR's six extramural programs follow.

### Laboratory Animal Sciences and Primate Research Program (LASPR)

Major components of the Laboratory Animal Sciences and Primate Research (LASPR) Program include the Regional Primate Research Centers Program, the Laboratory Animal Sciences Program, and the AIDS Animal Models Program. LASPR supports the NIH's funded research projects grants which use laboratory animals.

In addition, LASPR sponsors research in its seven Regional Primate Research Centers. These centers provide specialized resources and suitable research environments for a wide range of basic and applied biomedical studies. Investigators at the Washington Regional Primate Research Center have made strides in developing an improved artificial blood vessel to bypass or replace portions of arteries blocked by atherosclerosis, a risk factor for stroke and heart attack. Studies indicate that this more porous substance may be a better substitute than a blood vessel taken from another body part or made from another material.

Also, LASPR sustains research and diagnostic laboratories, educates specialists in laboratory animal sciences, develops animal models for use in biomedical research, and enhances laboratory animal facilities supporting NIH research. Moreover, LASPR helps the NIH Director's office create guidelines for the humane care and use of research animals. LASPR also acts as a liaison to animal welfare and professional societies.

The President's FY 1991 budget recommends $68.563 million for the LASPR program. This one percent increase over the FY 1990 appropriation level represents a slight growth in AIDS-related research only. The President proposes to hold constant for non-AIDS activities Regional Primate Research Centers. Resources for training in the Laboratory Animals Sciences Program, animal facilities improvement grant, and research projects would be identical to the 1990 level.

The proposed budget for the LASPR Program does not meet current and anticipated needs. The LASPR budget should reflect the priority funding it needs. With the implementation of the 1985 Animal Welfare Act Amendments, LASPR resources must be sufficient to cover the Program's expanded duties and responsibilities. The animal facilities improvement grant program helps biomedical research facilities comply with both the Animal Welfare Act and the Public Health Service policy on humane care and use of animals. This assistance comes in the form of support for caging sanitation equipment and facility renovation. In order for LASPR to meet its critical needs, the AHA recommends that the DRR receive $411.268 million in FY 1991, a 22 percent increase over its FY 1990 appropriation.

Animal facilities and properly trained animal medicine personnel are a necessary aspect of all biomedical research activities. Moreover, proper facilities and healthy animals help insure reliable research results. The AHA's recommended appropriation for the DRR, $411.268 million, will only begin to control animal disease and to improve the wide-spread deterioration that currently exists in a majority of the research animal facilities located at biomedical research institutions across the United States.

## Biomedical Research Support Grant (BRSG) Program

The Biomedical Research Support Grant (BRSG) Program, a component of the DRR's Biomedical Research Support extramural program, provides funds for institutions actively involved in biomedical research. The BRSG Program provides individual facilities with a pool of flexible funds for particular projects, determined by the respective institution, not generally met by other support programs. By allocating these funds to individual projects, DRR provides the facilities with the flexibility to meet unanticipated needs and emerging opportunities.

For the past several years, the Administration has proposed to terminate the BRSG Program, but Congress has consistently restored funds. While the President's FY 1991 budget contains resources for the DRR's Biomedical Support Grant (BRSG) Program, the request of $17.700 million, 60 percent below the BRSG Program's FY 1990 appropriation, is grossly inadequate. The AHA's recommended FY 1991 funding level for the DRR, $411.268 million, would allow the BRSG program to meet current needs.

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# *AMERICAN HEART ASSOCIATION*

**Statement on**

# FY 1991 Appropriation for the National Institute on Aging

**Submitted to the**

**House Labor-HHS-Education Appropriations Subcommittee**

**The Honorable William Natcher**
**Chairman**

**April 27, 1990**

## Summary of Recommendation

**Cardiovascular Aging Research**

**$21.800 million**

Cardiovascular diseases and stroke remain the leading cause of death of older Americans. Total cardiovascular disease, including stroke, affects an estimated 34 percent of Americans over 65 years of age. About two-thirds of all medical care expenditures for cardiovascular diseases are spent on Americans over age 65. In 1988, an estimated 27 percent of medicare short stay hospital payments were expended for stays where the principal diagnosis was disease and disorders of the circulatory system (excluding expenditures for those stays where it was a secondary diagnosis).

The American Heart Association (AHA) is dedicated to the reduction of disability and death from cardiovascular diseases and stroke. Annually thousands of scientists and researchers, and more than 2.7 million volunteers join the AHA and its 56 affiliates in carrying out this mission. The American Heart Association (AHA) appreciates the opportunity to provide this Subcommittee with our comments and FY 1991 funding recommendation for the National Institute on Aging (NIA).

In accomplishing our mission, the AHA works closely with related Federal research, education, and prevention programs. Since 1948, the AHA has worked in active partnership with the National Heart, Lung, and Blood Institute (NHLBI) and more recently with the National Institute of Neurological Disorders and Stroke (NINDS). The programs of the AHA, the NHLBI, and the NINDS have had a striking impact. From 1963 to 1986, this Nation's age-adjusted death rates from heart attack declined by 49.1 percent and that from stroke by 60 percent.

In part, this dramatic decline in the age-adjusted mortality rate due to heart attack and stroke occurred from the discovery of the cause and effective prevention of rheumatic heart disease, which accounts for close to half of all coronary heart disease and most strokes in younger individuals. Research has also found effective treatment for many serious heart diseases that cause death and disability in younger people. Effective treatment is available for most forms of congenital heart disease, heart attacks, chronic coronary heart disease, most conduction system disease, and bacterial infections of the heart.

Despite this remarkable progress through research achievements, there will be more heart disability in the United States. Why? Many people who have had effective treatment for coronary artery disease and prevention of atherosclerosis at 40 to 60 years of age will develop heart disease later in life. Also, the American society is "graying." As our population moves toward the 21st century, it is undergoing a dramatic increase in the proportion of aged individuals. Diseases of aging are emerging as a major public health problem. Also, age is a nonmodifiable risk factor for cardiovascular disease. In 1900 there were only three million individuals in the United States over 65 years of age, by 1980 the number had grown to 25 million, and by 2000 it will increase to about 31 million. Corresponding figures for individuals over 75 years of age are 900,000 in 1900, 10 million in 1980, and 17 million by the year 2000.

All major diseases become increasingly prevalent with advancing age. But, cardiovascular diseases and stroke remain the number one killer of older Americans. Heart attack and stroke, the first and third leading causes of death in the United States, respectively, affect approximately 4 million Americans over 65 years of age. Moreover, the number of deaths from cardiovascular diseases and stroke rise significantly with increasing age, as does its incidence and prevalence.

Nearly 55 percent of all heart attack victims are age 65 and older; of those who die, about four out of five are over 65. At older ages, women who have heart attacks are twice as likely as men to die from them within a few weeks.

High blood pressure, a leading risk factor for cardiovascular disease and the most significant risk factor for stroke, afflicts about 61 million Americans. More than 50 percent of these victims are 55 and older. As a rule, blood pressure tends to increase with age. Men have a greater risk of high blood pressure (hypertension) than women until age 55, when men's and women's risk is approximately equal. Women age 65 and older are more likely to develop high blood pressure than men. High blood pressure is a significant problem among older women. More than half of all women over age 65 have hypertension.

Incidence of stroke is strongly related to age. Older people have a much greater stroke risk than younger people. In fact, for Americans over 55 years of age, the incidence of stroke more than doubles in each successive decade. About 72 percent of stroke victims are age 65 or older. The danger of stroke in people aged 65 to 74 is about one percent a year. If they have had a transient ischemic attack (TIA), a temporary stroke-like event that lasts for only a short time, caused by a temporarily blocked blood vessel; the chance increases from five to eight percent a year. Stroke is the source of the majority of adult disability, accounting for a significant number of nursing home admissions. Stroke accounts for an estimated half of all patients hospitalized for acute neurological disease.

Aging is the most potent risk factor for coronary heart disease and stroke, stronger than cigarette smoking, cholesterol or high blood pressure. Thus, in an aging population and with longer survival of those with heart disease, there will be more disability from cardiovascular diseases and stroke. In addition, there are forms of heart disease that appear predominantly in the elderly. Specifically, aortic valvular obstruction and conduction system changes are frequent in those over age 80.

What is known about age changes in the heart and blood vessels? Unfortunately, very little, but what is know is optimistic. There is no obligatory significant age-associated decline in heart function or response to exercise. Most cardiac disability is due to disease not aging. The general idea that most everything deteriorates with age is wrong. Even so called degenerative heart diseases, such as aortic valve obstruction may be just a disease of unknown cause waiting for more research.

Recognizing the decline in premature death and the increase in disability from cardiovascular diseases and stroke in the elderly, in June 1989 the AHA broadened its focus to include the entire lifespan and expanded its commitment to those now living with heart disease. The AHA plans to sponsor more research on aging of the heart and blood vessels and on the brain and kidney. Also, the AHA has recently committed its support to the National Institute of Aging's (NIA) basic research on aging.

Scientific information is limited in one significant group--the elderly. It is pivotally important for this Nation to make progress in the prevention of heart disease in the elderly. There is a conspicuous absence of significant basic biological research on the cause of cardiovascular diseases in the elderly. Even atherosclerosis, the major cause of heart attack, stroke, and peripheral vascular disease, has been little studies in the elderly. Atherosclerosis clearly progresses in older individuals, but it remains totally unclear what causes progression.

Recently, two widely publicized documents emphasized this lack of data and the absence of information on what produces atherosclerosis in the elderly. The congressional U.S. Office of Technology Assessment (OTA), in April 1989, questioned the value of cholesterol screening in the aged. The OTA states in Costs and Effectiveness of Cholesterol Screening in the Elderly, "... the health benefits, particularly as measured by total mortality, of cholesterol screening in the elderly are unproven and may be smaller than in middle-aged people." Stating ,

> "... there have been no randomized controlled trials of the health effects of cholesterol reduction in the elderly; ... cholesterol is not as powerful a risk factor for coronary heart disease in the elderly; ... epidemiologic studies have found that the cholesterol level is either not associated with overall mortality rates or is inversely associated with all-cause mortality." OTA concludes that "it would be difficult to infer from available evidence that elderly individuals with an elevated blood cholesterol level would benefit from cholesterol reduction...."

While Medicare does not currently pay for cholesterol screenings, OTA speculated that based on complete compliance by the elderly with the National Cholesterol Education Program, in 1995 the cost for their screening and follow-up treatment would be between $1 billion and $5.4 billion.

Similarly, in the September 1989 issue of "The Atlantic Monthly," journalist Thomas J. Moore cited numerous clinical trials consisting exclusively of middle-aged men. In an excerpt from Heart Failure, Moore notes that,

> "... these figures (total mortality from coronary heart disease) apply only to a minority of those at risk: young and middle-aged men. As noted earlier, the relationship between high cholesterol levels and heart attack is weak or nonexistent among the elderly, in whom most deaths from heart disease occur, and among pre-menopausal women, in whom the disease is rare."

Because of this absence of information and inconclusiveness of data, the AHA believes that the NIA must make the identification of cardiovascular risk factors and molecular and vascular mechanisms that contribute to atherosclerosis in the elderly a priority research commitment. The NIA, charged with the coordination of government wide research on aging, acts as the chief source of information exchange for aging-related research through the ad hoc Interagency Committee on Research on Aging (IACRA).

Currently, the NHLBI, the NIA, and the NINDS are sponsoring or plan to support several age-related studies in the cardiovascular area. Some examples follow. Co-sponsored by the NHLBI and the NIA, the Systolic Hypertension in the Elderly Program (SHEP), a multi-center clinical trial, is assessing the effectiveness of antihypertensive treatment in reducing the occurrence of stroke and other cardiovascular diseases in the elderly. The NHLBI's Cardiovascular Health Study, concentrating on those 65 to 90 years of age, is studying combination of risk factors in an attempt to distinguish patterns that may predict cardiovascular disease. A NINDS major multi-center clinical trial which evaluated whether aspirin or a low dose of the anticoagulant warfarin would prevent strokes in those with artrial fibrillation, a common type of irregular heart beat in older persons, showed that these drugs reduced stroke incidence by 81 percent.

NHLBI circulated a request for research grant applications (RFA) to plan and execute a pilot study for a multi-center randmoized clinical trial to determine whether HMG CoA Reductase Inhibitors, a new class of potent cholesterol-lowering drugs, will reduce death from atherosclerotic cardiovascular disease in men and women over 60 years of age. Awards will be made July 1990.

The AHA encourages more joint ventures between the NHLBI and the NIA. We stress the need for more research on basic biological age-related changes in humans and in animals. The NHLBI and the NIA have jointly solicited investigator-initiated projects for clinical or laboratory studies to clarify the relationship between disease processes of atherosclerosis and aging through the program announcement Atherogenesis and Aging. Research will focus on the relationship between age-related biological changes and their contribution to the beginning, advancement or regression of atherosclerosis. Specifically, NHLBI and NIA-supported scientists will seek to determine whether the reaction to atherosclerosis risk factors, including hypertension and hyperglycemia or treatment is affected by age. These institutes also hope to identify age-related changes in metabolism or structure processes which might influence the development or regression of atherosclerosis.

Also, the NIA is inviting applications for research on relationships between aging processes and cardiovascular function and disease through the program announcement Aging and the Cardiovascular System. Research in this area is particularly important because age-related changes in cardiac function, circulation, blood pressure, and metabolism of fats (lipids) contribute significantly to disease and death in the elderly. Moreover, age-related changes in the cardiac muscle and valves, the heart's conductive system, the arteries, the small blood vessels, and circulation may have significant effects on cardiovascular function and may ultimately impact the function of other organ systems, including the lungs and the kidneys. Increased understanding of the causes, rates of advancement and relation among these factors may produce preventive and therapeutic measures to reduce the incidence of cardiovascular diseases in the elderly.

Currently, the NIA's Laboratory of Cardiovascular Science at the Gerontology Research Center in Baltimore, Maryland is conducting age-related research focused on studies of the movement of blood through the human heart over long periods of time. Now, an opportunity exists for the NIA to develop a complementary Laboratory of Vascular Studies. Cardiovascular diseases are often blood vessel-related (vascular). Previous research of vascular function and pathophysiology have, essentially, excluded age as a variable. This prospective laboratory would provide much needed information on aging-related changes in the molecular biology of blood vessels.

Recognizing the importance of these three programs, during the FY 1990 appropriations process, the Senate Appropriations Committee included report language stating,

> "The Committee believes that additional cardiovascular aging research and more research on basic biological age-related changes are important. Two important studies in this area--the relationship between disease processes of atherosclerosis and aging, and aging and the cardiovascular system as well as the development of a laboratory of vascular studies are important initiatives that should be initiated with available funds at the earliest possible time."

The American Heart Association (AHA) applauds the Senate Appropriations Committee's action in this matter. However, the partial sequestration and additional administrative reductions have limited the NIA's "available funds" to begin these initiatives.

Resources for specific initiatives in aging research must be sufficient to encourage investigators to make a long term and serious commitment to raising older animals and to exposing them to the various regiments related to atherosclerosis. Atherosclerosis is extremely difficult to study in typical aging animal species like rats. The best animal models for this type of research are pigs and primates. However, the research cost for pigs or primates is much more expensive than that for more common laboratory animals and demands a major resource allocation to conduct responsible studies.

An additional $5 million above the President's FY 1991 request is required for the NIA to support research in both Atherogenesis and Aging, and Aging and the Cardiovascular System. In order for the NIA to develop the prospective Laboratory of Vascular Studies, another $2 million is required.

In FY 1990, the NIA is supporting an estimated $14.240 million in cardiovascular projects. To allow the Institute to adequately fund on-going research and to expand into the essential areas of research in the cardiovascular field described above--Atherogenesis and Aging, Aging and the Cardiovascular System, and the Laboratory of Vascular Studies--the AHA recommends an FY 1991 appropriation of $21.800 million or a $7 million increase over the President's budget request for the NIA cardiovascular aging research.

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